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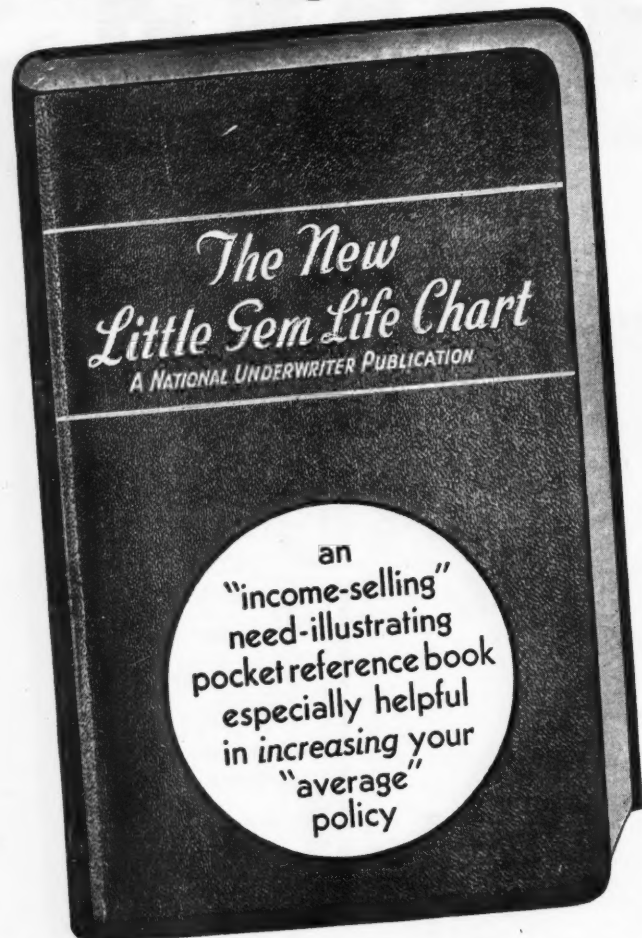
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Company

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City State.....

To The National Underwriter, 420 E. 4th St., Cincinnati

Home Office Life Underwriters Meeting Held

Over 100 Officers from 50 Companies Hear Underwriting Problems Discussed

ATLANTIC CITY, N. J. — The strongly marked cooperative spirit among members of the Home Office Life Underwriters Associations was further strengthened at the spring meeting held here.

This meeting attended by over 100 officers, representing more than 50 companies, was devoted to prepared papers and informal discussions of underwriting problems.

R. F. Edwards, who is underwriting statistician of the Prudential, opened the first morning session. He introduced R. J. Vane, occupation rating supervisor Metropolitan Life, who gave an interesting paper on "Results of the 137 Occupational Study," compiled by a joint committee from the Actuarial Society and the Association of Life Insurance Medical Directors.

Afternoon Session

The afternoon session was in charge of C. H. Norris, Aetna Life. Papers were given on "Lead Poisoning as a Mortality Hazard," by Dr. A. J. Lanza, Metropolitan; "Grain Elevators," F. A. Benneyworth, Canada Life; "Automobile Testers on Proving Grounds," Morris Pitler, Mutual Life of N. Y., and "Miscellaneous Information," R. F. Edwards, Prudential.

The morning session of the second day was in charge of Harold F. Larkin, vice-president Connecticut Mutual and president of the H.O.L.U.A. After an inspiring address, Mr. Larkin introduced J. M. Holcombe, Jr., founder and manager of the Life Insurance Sales Research Bureau, who discussed "Underwriting for Persistency." He told of the use of persistency rating cards from an underwriting angle. Following this paper, James E. Hoskins, assistant actuary Travelers, spoke on "Aviation Underwriting."

The afternoon session was in charge of William H. Dallas, vice-president Aetna Life. The complete session was devoted to the discussion of clinic cases, compiled by J. G. Late, Aetna.

Laird Heads Final Session

The final session was in charge of J. M. Laird, vice-president Connecticut General. This session was devoted to an informal discussion of the following:

1. Is the waiver of premium benefit justified on contracts essentially taken for investment purposes, such as retirement annuities or short-term endowment policies?

2. What underwriting restrictions, including double indemnity limits, are made for special sports hazards, such

(CONTINUED ON LAST PAGE)

Public Relations Problem Viewed by Industrial Men

Frank Samford Elected President at Annual Gathering in Florida

NEW OFFICERS ELECTED

President—Frank P. Samford.
Vice-President—B. L. Tatman, president, Reliable Life.

Secretary-Treasurer—H. Clay Evans Johnson, assistant manager of agencies, Interstate Life & Accident.

Executive Committee—H. T. Dobbs, chairman, Industrial Life & Health; E. T. Burr, Durham Life; C. A. Craig, National Life & Accident; P. M. Estes, Life & Casualty; P. W. Jones, Bankers Health & Life; A. B. Langley, Carolina Life; W. N. Culp, Southern Life & Health; J. M. Drake, Empire Life & Accident; J. R. Leal, Interstate Life & Accident; F. F. Leith, Peoples Life, D. C.; O. E. Starnes, Imperial Life, N. C. (retiring president); W. B. Clement, Pilot Life (retiring secretary-treasurer).

By GEORGE E. WOHLGEMUTH

PONTE VEDRA BEACH, FLA.—It is usually characteristic of conventions that the real meat and most helpful discussion and exchange of ideas are obtained in the informal gatherings and contacts made in between the set programs. That is particularly true of the Industrial Insurers Conference, an organization of 42 companies writing industrial and ordinary life and accident and health, which held its annual meeting here with the Gulf Life, Peninsular Life, Suwannee Life, Independent Life & Accident and United Life, all of Jacksonville, as hosts.

Discussion at the sessions covered the important position of life insurance in the social and economic life of the nation, a public relations program for life insurance, the industrial agent-company relationship under the social security act, and the necessity of awakening the interest of the ordinary citizen in the conduct of government. Two speakers emphasized the fact that both the industrial and ordinary companies were engaged in the same undertaking and should work together in a public relations program.

An aggressive, efficient industrial companies' bureau ought to be organized in American Life Convention headquarters, for if properly conducted it could be of inestimable value to the industrial companies, Col. C. B. Robbins, manager and general counsel of the A. L. C., declared in a talk. He said there is increasing opportunity for valuable services to the institution of life insurance, both in the ordinary and industrial fields. These are engaged in the same great enterprise, he said, and it makes no difference whether the premium payments are made on the yearly, quarterly, monthly or weekly payment plan. The protection and welfare of the policy-

(CONTINUED ON LAST PAGE)

Starnes and Bragg View Economic Conditions in Relation to Insurance

PONTE VEDRA BEACH, FLA.—Present day life insurance problems and the need for a public relations program were discussed in two outstanding talks at the Industrial Insurers' Conference here by President O. E. Starnes, president Imperial Life, Asheville, and James Elton Bragg, Guardian Life general agent in New York City.

President Starnes' Talk

"It is the privilege and responsibility of our insurance companies to present intelligently an adequate insurance plan to every insurable prospect in the United States," Mr. Starnes stated. "This life insurance business presents an interesting paradox. Not one person out of every thousand policyholders ever bought a dollar's worth of life insurance. Life insurance must be sold—not bought."

"The life insurance agent today is a social and economic engineer in our present economic structure. It is his privilege to perform a worthwhile service to all society, and his task will not have been completed until all society—130,000,000 people—have been adequately served. It is important that we advertise our business through all proper advertising media, but that is not enough. Every man in the insurance business from the president of the company to the newest salesman should know and practice the art of sound salesmanship."

Must Sell Correct Plan

"Equally as important as salesmanship is the ability to sell the correct plan and the proper amount of insurance. Men and women usually carry life insurance coverage for one or more of three principal purposes: To provide future income or funds for themselves or their families; to protect business interests and associates from the loss which the insured's death might cause; to provide cash for the payment of debts, taxes including inheritance tax, fees, and other pressing claims against the estate of the insured, thus preventing the forced sale of other assets. Varying needs of different individuals and business concerns have given rise to a wide variety of contracts familiar to well-informed underwriters. But the insured has not been adequately and honestly served unless the underwriter sells him proper coverage and a proper settlement plan."

"The insurance solicitor should know all about his prospect, his family needs, his business or profession, his assets and liabilities, and cooperate with the prospect's lawyer, banker or business adviser in the matter of selling him such coverage as will meet his needs. The importance to the insurance company, as well as the insured, of utilizing the services of competent and skilled under-

(CONTINUED ON PAGE 15)

Proposes By-Laws Amendment On Examination Setup

Pew of Iowa Gives Notice of Submission at Quebec Parley

Commissioner Pew of Iowa announces that at the Quebec convention of the National Association of Insurance Commissioners he will submit an amendment to the by-laws that will give official standing to the present zone system of company examinations. The proposed amendment includes as well limitations on the qualification and per diem charges of examiners. He is giving the required 15 days' notice to members of the association.

The amendment provides that an examiner must be an actual legal resident of the state which appoints him. He may charge not to exceed \$15 per day while he is actually engaged in the examination, plus the actual cost of his sustenance not to exceed \$7 per day, plus necessary transportation expenses. Life insurance actuaries who have completed an actuarial course in a recognized institution, may charge not to exceed \$25 per day while engaged in the examination of a life company. All bills for services of examiners must get the written approval of the home state commissioner, except where the home state is not participating in the examination. In that event, the approval must be obtained of the chairman of the zone in which the home office of the company is located or the person he selects.

Zone Procedure

The amendment provides that the examinations committee shall make arrangements for convention examinations of insurers by representatives of two or more states at the request of the commissioner of the state in which the company is domiciled or at the request of three or more other members representing states in which the insurer is operating. The consent must first be obtained of the home state commissioner. If that commissioner declines to give consent, the examination shall not be conducted unless the committee is satisfied that the best interests of insurance supervision would be served.

The amendment disposes of the states into six zones. At the annual meeting the amendment provides that the members of each zone shall elect a chairman who shall become ex-officio a member of the examinations committee.

Calling an Examination

When a member desires to call a convention examination of a company domiciled in his state that is operating in more than one zone, he shall notify the chairman of the examinations committee. If the home state commissioner believes that all zones in which the company operates should not participate, the chairman of the examinations committee

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Reduction in Rate on Loans Not Wise, Says President to Actuarial Society

By M. A. LINTON
President Provident Mutual Life

(Address as president of Actuarial Society at meeting in New York this week.)

The low rate of return yielded in recent years by high grade investments has fostered a widespread belief that there should be a reduction in the 6 percent rate of interest upon life insurance policy loans. Consequently the state of New York has enacted a law requiring the companies, in all policies delivered in the state after the end of this year, to provide for an interest rate on policy loans "not exceeding 4.8 percent if payable in advance or the equivalent effective rate of interest if otherwise payable." We face the probability that a reduced rate will become general on new policies throughout the country.

That events should have taken this turn may be attributed largely to a lack of understanding of life insurance fundamentals on the part of the general public. Unfortunately I fear we have been rather remiss in the important field of public relations so that we are now reaping consequences that will be detrimental to the best interests of policyholders generally. Although life insurance appears complicated to the average man, reducing the policy loan interest rate appeals to him as a simple and obviously fair step to take under present conditions. Little does he appreciate the consequences that may flow from taking it.

Thankfully Paid 6 Percent

The agitation for a reduction in the policy loan interest rate is a product of the later years of the depression. From 1929 to 1932 policyholders were full of praise and thankfulness that they were able to borrow promptly and at 6 percent the full amount of the guaranteed loan value of their life insurance without being in danger of having the loan called. During this four-year period cash policy loans of nearly three billion dollars were made to policyholders and performed a most useful service at a time of great stress.

The collapse of the banking system in 1933 created a panic demand for cash and the supervising authorities imposed a moratorium upon life insurance cash and loan value payments, other than in moderate amounts for necessities, which, generally speaking, lasted about six months. This inevitable consequence of events outside the realm of life insurance caused relatively little dissatisfaction. When policyholders understood the situation they realized that the moratorium had been imposed in the best interest of the institution of life insurance as a whole.

Sharp Decline Since 1933

Since 1933 there has been a sharp decline in interest rates, approximating 1½ percent on high grade corporation bonds having thirty years to run and 2 percent on similar securities having a short period, say five years to run. Some of this decline resulted from the inevitable stagnation of the demand for capital following in the wake of a severe depression—prolonged in this instance by unwise legislation having to do with taxation, labor relations and other matters affecting business confidence; and some resulted from the deliberately planned fiscal policy of the federal government to keep interest rates low. The atmosphere thereby created was responsible for the feeling that the policy loan interest rate should be reduced.

Loans Are for Emergencies

Reviewing the events since 1929 we find that although the policy loan provision has rendered remarkable service to policyholders and helped to popularize the ownership of life insurance it has

introduced a banking element into our business which must be carefully safeguarded if unsatisfactory consequences are to be avoided. We must never neglect the basic principle that the policy loan provision is essentially a source of funds for emergency purposes and not a source of funds for normal business purposes or for purchasing securities in the hope of making a profit. Loaning money for these purposes is a banking and not a life insurance function. The greater the extent to which life insurance takes on banking functions the more unsatisfactory the consequences. The 6 percent rate of interest upon policy loans has been of real assistance in confining the use of the loan provision primarily to emergency purposes.

Increase Insurance Cost

If the policy loan interest rate is not maintained at a proper level, the cost of life insurance will be increased—directly by the lowered receipts from policy loan interest and indirectly by the effect upon the investment policy of the companies. Since in the average company the non-borrowing policyholders outnumber the borrowing ones by some two to one, the change will increase the cost of insurance to the large majority. As matters now stand, the increase in cost will occur gradually since the new reduced rate in New York—and probably in any other states where the change might be adopted—will apply only to new policies issued in the future.

It will be interesting to observe how much pressure will be brought to bear upon the companies to make the lower rate retroactive to outstanding policies. Many policyholders who have borrowed will not understand the distinction. Publicity will lead them to be disappointed when they learn that it will not apply to them. Whether or not the officers of a mutual company would have the right to reduce the rate of interest on outstanding loans and on loans hereafter made under policies carrying the 6 percent rate, is a legal question that I am not qualified to pass upon. However, if a reduction such as 1 percent or more should be made it would be reflected promptly in a rise in the net cost of insurance.

Taking the experience during the ten year period 1927 to 1936, we find that the average outstanding policy loan in companies doing ordinary business only

and licensed in New York State, amounted to \$49 for each \$1,000 of life and endowment insurance in force. Therefore a reduction during this period of 1 percent in the policy loan interest rate would have been equivalent to 49 cents per \$1,000 of life and endowment insurance—the amounts on different policies varying greatly of course because of the variation in the reserves held against them. Few companies could long stand a reduction in interest receipts of that magnitude without having it reflected in the dividend schedule.

Dissatisfy Nonborrowing Members

This aspect of retroactive action is especially interesting. In a proposal relating to the policy loan interest rate made earlier this year by the superintendent of insurance in New York, it was recommended that any change of the rate under new policies be extended to outstanding policies at the option of the company. This would indicate his belief that there was a chance that the procedure could be sustained legally. Should some company take its cue from this recommendation and make the new rate retroactive to outstanding policies, it is likely that considerable dissatisfaction would be caused among the non-borrowing majority who would object to having the cost of their insurance raised by a breaking of the contract provisions in outstanding policies.

Another aspect of retroactive action is the effect upon the ability of the company to return later to the 6 percent rate under the old policies if economic conditions should render it desirable or necessary to do so. Having enjoyed the lower rate the borrowing minority would undoubtedly become vocal in their objection to the change, especially in view of the lower rate in policies issued after this year.

Complications with Two Rates

Although it would appear wise not to make the new rate retroactive, the existence of different rates on old and new policies creates special problems of its own. First, there will be no substantial effect of the change for several years to come, as loan values, generally speaking, will not be acquired under new policies for at least two years, and in volume only after several more years. From the very start a lot of explaining will be required to satisfy borrowers under old policies as to why the new

rate should not be available to them. They will feel themselves to be as much in need of help as the borrowers under the new policies. Furthermore, as time goes on, more and more policyholders will have both old and new policies, and it would seem reasonable to anticipate a problem in treating the same individual differently in connection with different policies on his own life. With economic conditions the same in so far as they relate to the reserves held against his various contracts, he will hardly understand the technicality which makes it necessary to charge different rates on the sums he borrows.

Effect in the Field

Then again special problems will be created in the sales side of our business. Will the lower policy loan interest rate tend to cause agents to emphasize and hence popularize the banking element in life insurance? Should this happen it would strengthen a feature which should be minimized and kept under control if the best interests of the entire group of policyholders are to be served. Along the same line, will the new loan rate be used to any appreciable extent as an argument for substituting new for old insurance? If policyholders are not told the whole story it will be easy to make many of them think that the lower rate of interest would be an advantage. Should much substitution be stimulated, the added cost of the new commissions would be considerable.

Are Hit Both Ways

Of all the consequences of lowering the policy loan interest rate, the effect upon the investment policy of the companies may prove in the long run to be the most important. In many periods of normal business activity a 5 percent rate will lead policyholders to turn first instead of last to their life insurance to borrow funds for business expansion or for the purchase of real estate or investments. They would not turn to their insurance to the same extent if the policy loan rate were 6 percent. When interest rates later fall below 5 percent the larger borrowers can borrow from the banks at the lower rates and use the proceeds to reduce their policy loans. The nonborrowing majority of policyholders are therefore hit both ways. When interest rates are high and long-term investments can be obtained on a satisfactory basis their funds will be going out in policy loans. Then when interest rates fall and new investments can be made only at low yields, the policy loans will be repaid. The quantitative effect upon the cost of insurance of a process such as this is not readily measured in advance, but it may easily prove to be of greater moment than the direct effect of the reduction in the interest rate already referred to.

Effect on Liquidity

Another factor affecting the interest earnings of the companies is the degree of liquidity that must be maintained to meet demands for loan values. The greater the probable demand the greater the amount of liquid funds that must be available. Since this type of asset usually earns but a low rate of interest, the necessity for greater liquidity will be another influence reducing the average interest rate upon life insurance funds.

Despite these considerations policyholders may claim that they are entitled to a low rate of interest and to avail themselves of the policy loan provision whenever they wish, since they are borrowing "their own money." The an-

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"Millionaires" in Chicago Powwow



This is a view of five leaders in the Million Dollar Round Table, as they pondered in Chicago this week revision of the constitution and by-laws and as they perfected the wording of a resolution advocating establishment by the companies of a public relations agency for life insurance.

From left to right: H. G. Mosler, Massachusetts Mutual, Los Angeles; G. E. Lackey, general agent Massachusetts Mutual, Detroit; Jack Lauer, Cincinnati, chairman; Grant Taggart, California-Western States Life, Cowley, Wyo., and Paul C. Sanborn, Connecticut Mutual general agent, Boston.

Annual Meeting Program Is Given for Quebec Muster

Interesting Schedule for the National Association of Insurance Commissioners

The program for the annual meeting of the National Association of Insurance Commissioners at the Chateau Frontenac, Quebec, Can., June 15-17, has been announced from the office of Jess G. Read, Oklahoma commissioner, who is secretary. The program was arranged by Superintendent L. H. Pink of New York, chairman of the executive committee, working with Georges Lafrance, superintendent of insurance of Quebec, the host of the convention; James W. Simpson, superintendent-at-large of the Sun Life of Montreal, who is secretary of the general committee on arrangements, and R. Leighton Foster, general counsel Canadian Life Insurance Officers Association, and former Ontario commissioner. The program is as follows:

Wednesday Morning, June 15

Welcome address, E. L. Patenaude, lieutenant governor of the province of Quebec.

Address by host commissioner, Georges Lafrance, superintendent of insurance Quebec.

Response to welcome address, Frank N. Julian, superintendent of insurance Alabama.

Address, George A. Bowles, insurance commissioner Virginia, president National Association of Insurance Commissioners.

Address, Samuel L. Carpenter, Jr., insurance commissioner of California.

2 p. m., Committee meetings.

4:30 p. m., Garden party at Spencerwood, at home of the lieutenant governor of the province.

7 p. m., Get-together meeting, Georges Lafrance, host, followed by informal dance.

Thursday, June 16

Entire forenoon devoted to committee meetings.

Afternoon

Business session:

Address, R. Leighton Foster, counsel for the Canadian Life Officers Association. Remainder of afternoon devoted to business session.

4:30 p. m., Reception at the Citadel as guests of Lieutenant Colonel Flynn, commanding officer of the Quebec garrison.

Evening

Formal banquet, followed by an informal dance.

Friday, June 17

Address, George D. Finlayson, superintendent of insurance, Dominion of Canada, Ottawa. Remainder of morning devoted to business session and committee meetings.

Afternoon—Continuation of committee meetings and business session.

Evening

Pamunkey Ceremonial, ball room of the Chateau Frontenac, in charge of C. C. Klocksin, Northwestern Mutual Life. Following ceremonial an informal dance will be held.

Arrangements have been made for entertainment of the visiting ladies. The men will have an opportunity of playing golf and visiting the shrine of St. Anne de Beaupre. The outstanding event from an entertainment standpoint will be a trip up the Saguenay River starting Saturday morning and returning to Quebec Sunday night, costing \$15 a person. Anyone taking the trip can remain on the boat, returning to Montreal.

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Five Millionaires Tell Five Steps in Sale of Policy

Five steps in the sale of life insurance today—prospecting, the approach, creating interest, closing and service—were expounded by five of the leading millionaire producers of the country at a "Little Million Dollar Round Table" sales clinic held in Chicago this week under auspices of the Chicago Association of Life Underwriters. Those taking part were Jack Laurer, Cincinnati, chairman round table; Henry G. Mosler, agent Massachusetts Mutual, Los Angeles, and Paul C. Sanborn, general agent Connecticut Mutual, Boston, members of the executive committee of the national round table; George E. Lackey, general agent Massachusetts Mutual, Detroit, and past president National Association of Life Underwriters; Grant Taggart, agent California-Western States Life, Cowley, Wyo. Waldo C. Thorsen, Connecticut General, Chicago, was chairman, and A. E. McKeough, president Chicago association, presided at a short business session, preceding the clinic.

Taggart on Prospecting

A producer if he wants to be a millionaire must plan well, prospect well, work hard, Grant Taggart said in his talk on prospecting. Millionaire producers are made in no other way.

"Haphazard prospecting and desultory effort have no place in the larger producers' scheme," he said. "The majority I find have a definite plan of prospecting and interviewing and stick to it. They believe in themselves, in organized prospecting, in the business and in the institution. They know it is not a cheap business and is anything but an easy business. They enthusiastically prospect

and represent the institution to the people as the most splendidly conducted, most securely financed and greatest economic factor that there is.

"What they have accomplished is in store for the smaller producer if he is willing to pay the same price in sincere, well organized and determined effort. I am a great believer if the agent gets out and sees the people conscientiously and sincerely, the business will come and the money will take care of itself. Whenever business is slack I check myself and find I need to put in more hours of work, that I am behind in my prospecting. The best prospecting is done immediately after the application is secured, when the agent has a feeling of success, enthusiasm and tangible results.

Picture Ahead Not Rosy

"I am not inclined to paint too rosy a picture to the underwriters today. I believe disappointment and discouragement are ahead for a few years. But we must decide to take the road ahead courageously and fearlessly, determined to carry on. To those who are trying to escape the drudgery of work, the weariness of toil, the burdens of responsibility, I would say they should get out of the life insurance business. Out of pain and labor come growth and achievement, and out of indolence and irresponsibility come decay and failure.

"Do not attempt to put on an enthusiastic program of prospecting unless you are prepared to meet discouragement and disappointment. Remember that behavior under pressure and cross-fire in face of reverses and disappoint-

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"Millionaires" Press for Public Relations Program

Newspapers Feature Five-Ten Million Project Conceived by Big Producers

Pressure upon company presidents to launch a sustained public relations program on a grand scale was increased this week when the executive committee of the Million Dollar Round Table, meeting in Chicago, adopted and released for publication a resolution strongly advocating such an enterprise.

The executive committee consists of Jack Laurer, Cincinnati, chairman; Paul C. Sanborn, Connecticut Mutual, Boston, and H. G. Mosler, Massachusetts Mutual, Los Angeles. This pressure from the field reinforces that being exerted by President O. Sam Cummings and other officers of the National Association of Life Underwriters.

Mr. Sanborn said the committee believes an expenditure of \$5,000,000 or \$10,000,000 a year would be needed to carry out a program such as the committee envisions.

Framework of the Program

The million dollar group suggests that the administration of the program be in the hands of two or three life company presidents, two trustees of the National Association of Life Underwriters and one representative of the Million Dollar Round Table. They suggest that a "smart" advertising agency be employed; that advertisements be inserted regularly in key newspapers, in magazines and in trade journals throughout the year; that the air be utilized through a national network; that trained statistical talent be employed to get up material of one kind and another, this work either to be done by an independent agency or in cooperation with the Sales Research Bureau; that speaking talent be made available and that a legislative department be created.

A copy of the resolution adopted by the executive committee is being sent to presidents of all life companies, together with a letter urging their favorable consideration of the proposal. Individual members of the round table will be urged personally to plead in behalf of the project with their own companies.

Letter Is Prepared

The resolution memorializes the companies to set up a public relations agency, operating throughout the year, made effective by the companies, to bring to the public a more complete understanding of the fundamental social and economic, human and moral services rendered by the institution of life insurance and its agency forces through the nation.

The letter accompanying the resolution states that the memorial is being forwarded "with high hopes."

The statement is made that the resolution represents a direct and cooperative point of view from a group that holds a sensitive finger on the pulse of the insuring public.

The committee pledges its cooperation in any undertaking that the companies may set up.

"The idea," Mr. Sanborn said, "is to make every week life insurance week throughout the newspapers and radio."

This release was featured prominently in newspapers throughout the country. The advertising departments of the papers had their appetites whetted and

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Was Benjamin Wrong?

America's premier philosopher, Benjamin Franklin, declared, "In this world nothing is certain but death and taxes." The epigram isn't true. For life and general nature are full of certainties.

Life insurance, for example, has the certainty that age changes each year and the premium rate increases. Also it has other certainties, which would have delighted the thrif-exalting Benjamin. The individual's thrifty savings are added to year by year, and if he lives to the older years he can then have a lifelong income, or, if he dies untimely, that same thrift supports his family, maintains possession of their home, educates the children.

Benjamin Franklin, were he alive today, would ardently advocate permanent life insurance, and would condemn the general issuance of forms that expose the individual or family to midlife emergencies or a destitute age.

And to death and to taxes Benjamin would add the age-change and the thrifty action of buying to "save" the premium rate.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Wisconsin Meeting Attracts Overflow Crowd to Sheboygan

Cummings, Hill, Mortensen and Winterble Talk — Hesse Is Elected President

OFFICERS ELECTED

President—R. L. Hesse, Madison.
Vice-President — M. B. Matteson, Green Bay.
Secretary—Clyde Coffel, Milwaukee.
Treasurer—Alvin Moser, Milwaukee.

By ROY W. LANDSTROM

SHEBOYGAN, WIS.—The Sheboygan Life Underwriters Association never fails to put on a good show and the Wisconsin association meeting held here further emphasized the fact. The speakers were: O. Sam Cummings, National association president, Insurance Superintendent Mortensen, Grant Hill, director of agencies Northwestern Mutual, and W. H. Winterble, director of agencies Bankers Life of Iowa. Those speakers command a good attendance, and they got it. The meeting was held at a country club near Sheboygan. Arrangements had been made for an attendance of 150 but twice that number came. They almost hung from the rafters in the inadequate meeting room, but they stayed, listened and profited.

State Committees Meet

The morning session was devoted to a meeting of the state committees, the annual business meeting, election of officers and a wind-up address by Mr. Cummings who urged a closer knit life underwriters movement.

After the noon luncheon, Commissioner Mortensen explained the departmental duties. He showed the necessity for strict supervision over both company and agency activity. He also dwelt upon the relationship between the department and the individual underwriter.

He was followed by Mr. Cummings, who again spoke on National association affairs, urging all non-members present to join the state association.

Mr. Winterble spoke on "Foot Work Is Not Enough." He stated that life insurance is really an opportunity and a challenge to the men in the business but "they are not taking advantage of that opportunity." He maintained that men in the business can progress, but

Public Relations Campaign Is Under Consideration

National emphasis on the need for life insurance to speak for itself has caused Walter W. Head, president General American Life and chairman public relations committee American Life Convention, to call his committee together in June. The purpose of the meeting will be to consider, and if possible formulate, a publicity program to be recommended to member companies at the annual meeting at Chicago in October.

Col. C. B. Robbins, A.L.C. manager and general counsel, at the Industrial Insurers Conference meeting in Jacksonville, Fla., made mention of the A.L.C. public relations plan. Necessity of the companies taking some definite action toward a fact-giving campaign has been emphasized by action of the executive committee Million Dollar Round Table, National Association of Life Underwriters, at a meeting in Chicago this week, calling on companies to put in effect a campaign institutional in character with an appropriation of \$10,000,000, and by addresses by various company officials in the last few weeks, stressing the need for a well worked out program of telling the story of life insurance to the public.

It is understood that the public relations committee of the Association of Life Insurance Presidents similarly is considering what to do, and it is possible that later in the year the committees of the two company organizations will get together to formulate joint action.

that they must diligently apply themselves. He stated that surveys show that there is criticism of the life insurance man and that this criticism must be removed. He urged his listeners to take more advantage of their time to more closely ascertain the prospect's needs.

Secure Satisfactory Results

Grant Hill frankly admitted that business conditions are unfavorable. But he also showed that many agencies and individuals, who are strictly applying themselves are showing satisfactory results. He pointed out several agencies in his own organization which had shown very favorable results solely through close application.

E. G. MacDonald, Sheboygan, is the retiring president.

Beaumont High School Girl Wins \$250 First Prize in National Essay Contest

Lillian Smith, 15-year-old student at Beaumont, Tex., high school, has been awarded first prize of \$250 in the national life insurance essay contest sponsored in the high schools by the National Association of Life Underwriters as a feature of the 1938 "Annual Message."

Miss Smith won fourth place last year. The national competition was judged by Katharine Fisher, director of Good Housekeeping Institute; B. C. Forbes, editor "Forbes Magazine"; Merle Thorp, editor "Nation's Business"; O. Sam Cummings, president National association, and M. R. Robinson, editor, "Scholastic Magazine."

Second prize of \$200, was won by Anna Gage, Laurel, Miss.; third, \$100, Robert Fitzgerald, College Park, Ga.; fourth, \$75, Farine Sechrest, Winston-Salem, N. C.

Miss Smith's essay reads: "Last year the mighty Mississippi was in flood."

"The nation watched the headlines with anxious eyes as an army of rescue workers fought the hungry river—fought death and disease and starvation."

"Our newspaper told a daily story of heroic sacrifice as dauntless volunteers saved lives, cared for the sick, and gave food to the hungry and homeless. We were proud of these unselfish workers. The nation called them 'heroes of peace.'"

"This morning another army took the field. It fought for human lives, but there was no national disaster. The enemy not the river but death and poverty, and that inevitable, incurable disease—old age."

"This army went out, a hundred thousand strong, into homes and offices and factories. All day it offered help."

"It said to a father, 'Let us help. Though you die tomorrow we will give your children a happy childhood and a good education.'"

"It said to business man, 'we will help you save. When you retire, you will still have an income for life.'"

"To a great industry, it said, 'Your workers are insured against old age poverty. They will not need charity when they are too old to work.'"

"Comforting a widowed mother, the life insurance army said, 'Your husband believed in us. He protects you, even

Canadian Life Officers Program Is Announced

Annual Meeting Will Be Held at London, Ontario, Early Next Month

The annual meeting of the Canadian Life Insurance Officers Association, which will be held at the Hotel London, London, Ont., June 9-10, has an excellent program. G. W. Geddes, general manager of the Northern Life of London, is president. The annual meeting of the Canadian Association of Life Agency Officers will be held at the same place, June 8-9. The officers of the Canadian Life Insurance Officers Association are as follows, in addition to President Geddes:

First vice-president, A. N. Mitchell, vice-president and general manager Canadian Life; second vice-president, A. P. Earle, president Montreal Life; honorary treasurer, N. J. Lander, managing director Continental Life of Toronto; past president, V. R. Smith, general manager, Confederation Life, Toronto.

The program is:

Thursday, June 9

Morning. Open Session, president's address; presentation of committee reports; addresses by G. S. Van Schaick, vice-president New York Life, formerly superintendent of insurance of New York; Dr. Madge T. Macklin, assistant professor of histology and embryology, Western University, London, Ont.

Afternoon. Golf, sightseeing and other informal social activities.

Evening. Dinner; addresses by Angus L. Macdonald, premier of Nova Scotia; H. Napier Moore, editor-in-chief, Maclean's Magazine.

Friday, June 10

Executive Session. Consideration of committee reports presented at Thursday morning session.

in death."

"This great army did many such things today. It saved an old man from the poorhouse. It sent a boy to college. It fed a poor hungry child. It saved a home."

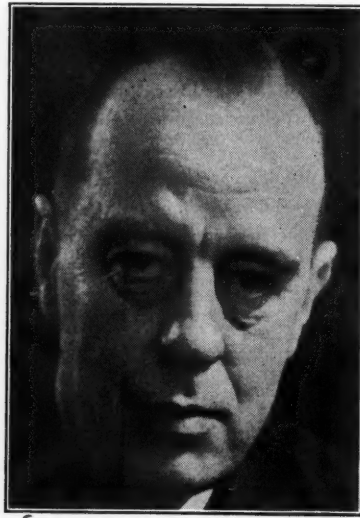
"Everywhere its soldiers fought to protect the young and the aged, to make human lives richer or happier or more useful. Everywhere, life insurance gave the meaning to life, even in the face of death."

"We fight for human lives!"

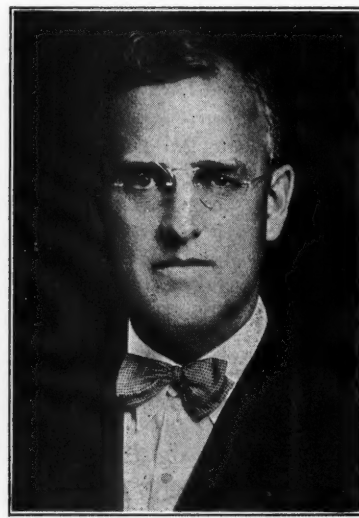
HOME OFFICE LIFE UNDERWRITERS MEETING



H. F. LARKIN
Connecticut Mutual



W. H. DALLAS
Aetna Life



J. M. LAIRD
Connecticut General



J. E. HOSKINS
Travelers

At the spring meeting of the Home Office Life Underwriters Association at Atlantic City this week, Vice-president

H. F. Larkin of the Connecticut Mutual, who is president of the organization, opened the general session. Among the

chief speakers are W. H. Dallas, assistant vice-president Aetna Life; J. M. Laird, vice-president Connecticut Gen-

eral; J. E. Hoskins, assistant actuary Travelers. The talks dealt with technical underwriting subjects.



Welcome

LIFE OFFICE MANAGEMENT ASSOCIATION

Welcome to the South

TOGETHER with our neighbors, the Life and Casualty Insurance Company of Tennessee, we are happy to welcome to Nashville on May 25-26 the members and guests of the Life Office Management Association for the Midwest-Southern Conference.

We are pleased that Nashville was chosen by this far-reaching Association for its first meeting in the South, and we are indebted to all sections for a distinguished program. Most pleasantly we anticipate the prospect of meeting and greeting old friends and new.

The latch string is out!

THE NATIONAL LIFE AND ACCIDENT INSURANCE CO., INC.

HOME OFFICE



NASHVILLE, TENN.

Quebec General Committee for Commissioners Muster

Personnel of the Group in Charge of Arrangements Is Selected

The personnel of the general committee on arrangements for the National Association of Insurance Commissioners convention to be held in the Chateau Frontenac, Quebec City, Canada, June 15-17, has now been announced as follows:

Chairman, Arthur B. Wood, president and managing director Sun Life of Montreal; associate chairman Alphonse Raymond, president La Prevoyance Cie D'Assurances, Montreal; W. E. Baldwin, manager Continental of New York, Montreal; H. Begg, president Shaw & Begg, Toronto; J. A. Blondeau, vice-president and directeur gerant Assurance du Canada Contre l'Incendie, Montreal; Dr. H. Cypriot, president Alliance Nationale, Montreal; Albert Demers, president Cie d'Assurance Sterling du Canada, Quebec City; L. N. Ducharme, president and gerant general La Sauvegarde Cie d'Assurance Vie, Montreal; A. P. Earle, president and general manager Montreal Life, Montreal; John Holroyde, manager Commercial Union, of London, Montreal; John Jenkins, general manager for Canada, Employers Liability, Montreal; J. K. Leonard, president Industrial Life, Quebec City; A. N. Mitchell, vice-president and general manager Canada Life, Toronto; A. Samoisette, gerant general du Canada, Compagnie Francaise du Phenix Contre l'Incendie, Montreal; R. Foster Smith, general manager Royal, Montreal; executive secretary, James W. Simpson, superintendent-at-large Sun Life of Canada.

Plenty of time will be allowed on the program for various business and committee meetings which will not be interfered with by the entertainment schedule.

Quebec has a wide appeal as a convention city, being situated on the cliffs overlooking the St. Lawrence river. It is the oldest city in North America. The remains of the walls surrounding it are well preserved. The special trip up the Saguenay, arranged for Saturday morning, June 18, will no doubt be popular with convention delegates.

In keeping with the resolution passed in New York City at the meeting last

April Production Off 26% Life Presidents Reports

The Life Presidents Association reports that production for April was 26 percent below April of last year, and that the production for the first four months of 1938 was 21.2 percent less than for the parallel period for 1937.

New ordinary business in April amounted to \$386,529,000, decrease 27.2 percent; industrial was \$193,131,000, decrease 21.7 percent; group was \$37,815,000, decrease 33.7 percent. For the first four months, new ordinary was \$1,579,029,000, decrease 21.2 percent; industrial was \$745,223,000, decrease 18.3 percent, and group was \$143,937,000, decrease 33.8 percent.

Commissioner Bowles to Be Honored at Dinner May 27

Commissioner Bowles of Virginia will be tendered a testimonial dinner in Richmond May 27 by the Virginia Association of Insurance Agents in appreciation of services he has rendered the state in his official capacity and in recognition of the honor that has come to Virginia by reason of his being president of the National Association of Insurance Commissioners.

Principal speakers will be Louis H. Pink, New York superintendent; Harold V. Smith, president of the Home of New York group, and Isaac T. Townsend, vice-president of the Life of Virginia. Included in those who have accepted invitations to attend the dinner are Governor Price and Senator Byrd.

December, a \$10 registration fee will prevail for all attending the convention, excepting the insurance commissioners, insurance departmental personnel and their wives.

Reservations at the hotel and for the Saguenay trip should be made either direct to the Chateau Frontenac, Quebec, or to the Canada Steamship Lines, Montreal, respectively, or through James W. Simpson, Sun Life of Canada, Montreal, executive secretary of the general committee on convention arrangements.

M. F. Mulvaney, manager of Investors Syndicate and formerly Omaha manager for the Franklin Life, will seek the Republican nomination for Congressman from the second Nebraska district.

Canadian Agency Officers to Hear Research Speakers

Life Insurance Sales Research Bureau Assists in Preparation of London, Ont., Meeting

HARTFORD—The Life Insurance Sales Research Bureau is again co-operating with the Canadian Association of Life Agency Officers in the preparation of its annual meeting program. Four members of the bureau staff will attend the C.A.L.A.O. meeting in London, Ont., June 8-9, presenting results of the major research projects on which the bureau has been working during the past months.

John Marshall Holcombe, Jr., manager of the bureau, will discuss "Selection of Agents." He will describe the uses to which the bureau's material on the selection of agents has been put by companies, with special emphasis on Canadian experience.

Ward Phelps will speak on "Conservation Trends in Canada Today," giving the results of a recent comprehensive study made among Canadian companies. "What Price Business?" will be discussed by L. S. Morrison who will present material along the lines covered in the recent bureau publication by the same title. K. R. Miller will speak on "The Small Policy Problem." There will be an opportunity for group discussion.

Cowden Speaks at Sedalia

Guy A. Cowden, Springfield, Mo., general agent of the Franklin Life, spoke before the Sedalia, Mo., Rotary Club in a special life insurance program arranged by the Sedalia Life Underwriters Association. In the last 20 years life insurance payments have totaled twice the amount of the national debt which was incurred during that time. He told of the history and growth of life insurance, saying that at the time of the civil war there was only \$150,000,000 insurance but the amount has steadily increased to \$117,000,000,000 in 1937, with \$3,000,000,000 paid out in claims last year. He told of the new qualifications required of insurance salesmen. They are now educated to know their customers, write the kind of insurance they need and know their ability to pay.

Denison Elected President of Kansas Life Underwriters

Cummings, Taggart and Olson Speak at Sales Congress in Salina—King Presides

By WILLIAM A. SCANLON

SALINA, KAN.—With O. Sam Cummings, president National Association of Life Underwriters; Grant Taggart, Cowley, Wyo., life member and former chairman of the Million Dollar Round Table, and A. B. Olson, agency vice-president of Guarantee Mutual Life, heading the list of speakers and an attendance of 240, the Kansas Association of Life Underwriters staged a successful sales congress here.

Lyman E. King, Topeka, New England Mutual, president during the past year, presided.

Elect New Officers

Following the sales congress the state body held a business session at which officers were elected.

Roy G. Denison, Salina, manager Metropolitan Life, who was vice-president and general chairman of this year's meeting, was elevated to president; Lee Porter, Wichita, Lincoln National Life; Gene Conkling, Equitable Society, Hutchinson, and Walter Leonard, Manhattan, General American, were named vice-presidents. The secretary-treasurer will be named later.

Hutchinson Gets 1939 Meet

The 1939 meeting will be held at Hutchinson.

Following the golf tournament there was a dinner at the Salina Country Club after which there was a sales seminar for general agents and managers. About 75 were present. President Cummings discussed "Modern Technique in Selection of Agents" for almost two hours.

At the morning session of the sales congress Grant Taggart and Mr. Cummings were the featured speakers.

Mr. Taggart, who is well known to life men throughout the country, made a distinct hit. His talk was on "Volume Through Many Applications."

"Our Opportunities and Obligations as Life Underwriters," was discussed by Mr. Cummings.

Doctor Howard T. Hill, Kansas State College, talked on "Lo, the Poor Prospect" at the luncheon, bringing out some

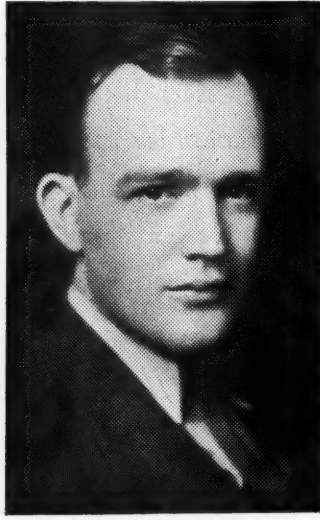
SOUTHERN ROUND TABLE PEOPLE IN SESSION



EMMETT RUSSELL, JR., Nashville



E. C. GREEN, Greensboro, N. C.



R. L. MACLELLAN, Chattanooga



JOHN W. MURPHY, Richmond, Va.

The Southern Round Table of the Life Advertisers Association meeting in Grove Park Inn, Asheville, N. C., this week has a notable program. Emmett

Russell, Jr., advertising manager of the Life & Casualty, will preside as chairman. He has taken an active part. He is also prominent in the Southern Home

Office Life Underwriters Association. President E. C. Green of the Pilot Life will close the session.

R. L. MacLellan, vice-president Provi-

dent Life & Accident, who is in charge of the life department, will give a talk. John W. Murphy, supervisor ordinary agencies Life of Virginia, will talk.

May 20, 1938

good points from the prospect's standpoint.

At the afternoon session Donald H. Sharp, Hutchinson, a young man of considerable oratorical ability, spoke on "What's Wrong with Kansas."

Olson Gives Talk

A. B. Olson, agency vice-president of the Guarantee Mutual, the only home office man on the program, spoke on "Added Responsibility."

Mr. Olson said that while he would like to be in a position to say that the path of the life underwriter was strewn with roses he feels that such is not the case, that there are many thorns along the road. He dwelt at some length on the heavy lapse ratio among first year policyholders, stating that it will average around 20 percent. He said this is entirely too high. He declared that many of these lapses occurred because of lack of interest by the policyholders rather than lack of their ability to pay.

He urged the agents to do some serious thinking on their manner of approach and selection of prospects. If this is done much can be accomplished in cutting down the all too heavy lapse ratio, he said.

Under the able direction of President Lyman E. King, Topeka, during the past year the Kansas association has made good progress. There has been a substantial increase in membership and there is evidence of a keener interest in and appreciation of organization among underwriters throughout the state.

KANSAS SNAPSHOTS

J. J. Donelan, Salina, state manager Pan-American Life, was chairman of the general agents and managers meeting.

* * *

Among the Kansas company officials present were H. K. Lindsley, president, and Frank B. Jacobshagen, secretary Farmers & Bankers Life; S. M. Babbitt, president Great American Life; Elmer E. Shurtleff, assistant general manager and agency director, Victory Life; R. P. Martin, secretary Manhattan Mutual Life; F. J. Seitz, agency director American Home Life; C. R. Stryon, agency organizer, Liberty Life; Jay Smith, assistant secretary and Louis Miller, actuary, United Life of Salina.

* * *

Dallas Alderman, Kansas City, Mo., Kansas City Life, president of both the Missouri Association of Life Underwriters and the Kansas City association, accompanied President O. Sam Cummings to the meeting.

* * *

O. T. Cropper, Topeka, general agent Aetna Life, was chairman of the nomination committee and Guy C. Glasscock, Hutchinson, Ohio National Life, headed the resolution committee.

* * *

R. J. Surface, Salina, general agent Farmers & Bankers Life, was in charge of registrations.

* * *

O. Sam Cummings, president National association, announced that since last September he has traveled 43,000 miles in the interest of the national body.

Kenagy Has Busy Time in Detroit

H. G. Kenagy, superintendent of agencies of Mutual Benefit Life, had a strenuous session in Detroit last week. He addressed the combined meetings of the Detroit and Michigan state associations on "Significant Trends" and in the evening appeared before a meeting of general agents and managers and leading producers on "Is a Quality Sales Force a Practical Ideal?"

The next day Mr. Kenagy addressed a luncheon meeting of the Johnston & Clark general agency of Mutual Benefit in Detroit. This was attended by 84 agents and office workers. M. L. Woodward, director of sales of the agency, served as toastmaster. He read greetings from various officials of the company and about 20 of the agents were called upon for brief remarks.

NEWS OF WEEK

Home Office Life Underwriters Association meeting at Atlantic City is attended by more than 100 officials from 50 companies. **Page 1**

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Industrial Insurers Conference meeting held in Florida. Public relations campaign urged. **Page 1**

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Commissioner Pew of Iowa announces that he will submit an amendment to the by-laws of the National Association of Insurance Commissioners governing examination of companies. **Page 1**

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Considerations against low policy loan interest rate reviewed by M. A. Linton. **Page 2**

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Executive committee of Million Dollar Round Table gets strongly behind the movement for establishment of a central public relations agency by the companies. **Page 3**

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The National Life & Accident announces change in its executive staff. **Page 7**

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Kansas Life Underwriters Association holds annual meeting and sales congress. Denison elected president. **Page 6**

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R. L. Hesse elected president of Wisconsin Life Underwriters Association at annual meeting. **Page 4**

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Methods of securing exemption from unemployment compensation taxes considered by P. M. Estes. **Page 10**

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American Life of Detroit testimony is given. President Ayres on stand. **Page 9**

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Life insurance advertising problem calls for special technique, E. M. Hunt of Mutual Life, N. Y., tells Insurance Advertising Conference. **Page 8**

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Life Insurance Sales Research Bureau assists in preparation of Canadian Association of Life Agency Officers' annual meeting. **Page 6**

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Rollin Young resigns as vice-president of the Franklin Life of Springfield. **Page 12**

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National Association of Insurance Commissioners announces a program for its annual meeting. **Page 3**

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Personnel of the general committee on arrangements for the meeting of the National Association of Insurance Commissioners at Quebec is announced. **Page 6**

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Herman L. Ekern, former insurance commissioner of Wisconsin, has been appointed lieutenant governor of the state. **Page 8**

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Program is announced for the annual meeting of the Canadian Association of Life Agency Officers. **Page 6**

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Annual meeting of the Canadian Life Insurance Officers Association program is presented. **Page 4**

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W. H. Bender, Jr., becomes general agent of National Life of Vermont in New York City. **Page 19**

* * *

Yeomen Mutual Life has submitted to policyholders a proposal to change its title to American Mutual Life. **Page 18**

Lincoln National Life's All-Star Agencies Given

The O. D. Douglas agency of San Antonio, Tex., and the H. W. Jackson agency of Boston, rank first among established and new agencies respectively in the Lincoln National Life listing of all-star agencies for the first quarter. Factors considered in determining the outstanding agencies were: New man power development, percent of volume quota from new organization filled, percent of total volume quota filled, average-sized policy and persistency rate.

The ranking of offices showed the O. D. Douglas agency first; V. J. Harrold agency, Fort Wayne, Ind., second, and W. W. Scott agency, Minneapolis, third. Leaders among the new agencies were the H. W. Jackson agency, first, and the A. Bergren agency of Fargo, N. D., second.

National Life & Accident Makes Important Changes

C. R. Clements Becomes President and W. R. Wills Vice-Chairman of Board

The National Life & Accident of Nashville has announced some changes in its executive staff through Chairman C. A. Craig. President W. R. Wills was elected vice-chairman of the board. C. R. Clements becomes president. Vice-presidents E. W. Craig and E. B. Stevenson are made executive vice-presidents. Vice-president J. E. Wills was made manager of the ordinary department.

Vice-chairman Wills is one of the five founders of the company, was its vice-president from organization in 1902 until 1931 when he was made president. Mr. Clements is a member of the original group of executives, serving as secretary and treasurer until his election as vice-president and comptroller in 1922 and executive vice-president in 1931.

Mr. Craig and Mr. Stevenson entered the service of the company in May, 1913, as agents in Dallas. They have filled all higher positions and field activities

for training in production and agency work.

In 1920 they became associated with the newly created ordinary department as manager and assistant manager and did herculean work, bringing up that new part of the company, putting it on a sound and progressive basis. Mr. Craig was elected third vice-president in 1922 and in 1924 assumed management of the industrial department. At the same time Mr. Stevenson became head of the ordinary division. Mr. Stevenson was elected third vice-president in 1927. Both have been directors for some time.

Vice-president Wills entered the home office service in 1922 in the industrial records division and became supervisor of the ordinary records in 1925. He was elected assistant secretary in 1928 and vice-president and assistant manager of the ordinary division in 1934. He has been a director for some time.

Jefferson Standard Capital Is Now 2 Million

The Jefferson Standard Life is increasing its capital from \$1,000,000 to \$2,000,000. The present \$100 par value shares are being split 10 for 1 and the new par is \$10.



GOOD WILL

Thousands of men and women in the United States own Canada Life policies just as thousands of Canadians have policies in United States companies operating in Canada.

Thus, millions of dollars so entrusted annually to the Canada Life with confidence based on the Company's long record of service in the United States, not only maintain life insurance protection for the policy owners and their families but through the Investment of these funds in United States securities they are assisting the Nation's progress.

The
Canada Life

Established - 1847

49 YEARS IN THE UNITED STATES

Life Insurance Advertising Problem Viewed by Hunt

Technique Different from That in General Merchandising Required, I. A. C. Is Told

In these hectic days of advertising, if life insurance is to be advertised properly, persons concerned with the advertising and sales promotion problem must think more deeply and vigorously on fitting life insurance into the picture, E. M. Hunt, manager publicity and field service Mutual Life of New York, told the Insurance Advertising Conference at its meeting in New York.

His subject was "Are Life Insurance Problems the Same as Those of Other Businesses?"

It is an age of excitement, he said. "In spite of current talk about planning, there is much evidence that too few modern people do very much of it. Cigarettes, coffee, women's hats and automobiles seem to be bought more or less on the spur of the moment. The problem of life insurance is to develop an advertising appeal in such an era."

"Can you imagine anybody reading a life insurance advertisement, slapping his knee with 'That's just the policy I want, I'll get one tomorrow,' and then dropping in at an agent's office to conclude the deal?" Mr. Hunt asked. If a person did this he probably would prove to be uninsurable.

Is Long-Pull Idea

"Life insurance is concerned with the whole of life and after life. We want long periods of ownership—and in spite of those who urge our agents to close each sale in one interview, or not at all, we add new policyholders usually after long periods of thinking and hesitation which they consider themselves entitled to as purchasers."

"Thus life insurance does differ essentially from other advertising. Our product isn't bought in a hurry and we don't try to sell it as something needed for a few days or seasons."

"A good many of those who seek to interest us in advertising fail to understand this big difference. They think of insurance companies as having millions so they ought to advertise in millions. They think we are out after customers everywhere so we should advertise to people everywhere."

Companies Are Selective

"The companies do not seek prospects everywhere on every street corner. We insist that people who come with us must be well. Their credit must be good. They aren't specially desirable if they have been out of work very long and seem to prefer relief to making a living. We aren't necessarily in competition with the social security act."

"We are concerned largely with placing policies on and collecting premiums from the comparatively few individuals we can make realize that they may die, no matter how healthy they happen to be at the moment. This narrows our market down considerably."

"Finally, we cannot, as some advertisers seem to succeed in doing, advertise people into immediate action, sending them flocking into stores and show-rooms."

Makes Recommendations

"What can we as advertising and sales promotion technicians of the life insurance business do about all this? First, I think we can explore vigorously every change taking place in modern agency field work. What are the agents thinking?"

"These things we need to know in building the future life insurance advertising into its place in today's selling. This we can learn from them, and in return we can impart to them our own advertising sense which has taught us to distinguish between what people think

Pittsburghers Are Endorsed

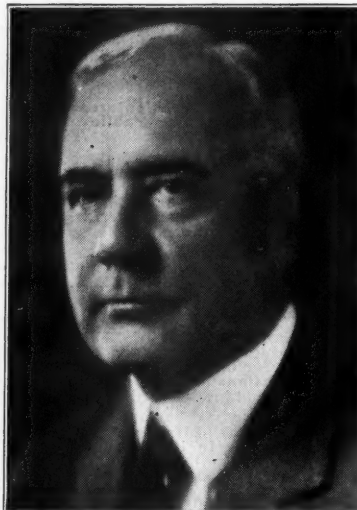


HOLGAR J. JOHNSON

Directors of the Pittsburgh Life Underwriters Association have adopted a resolution recommending the nomination of Holgar J. Johnson for president of the National Association of Life Underwriters and W. M. Duff for reelection as a national trustee.

Brochures have been prepared by the association in behalf of both Mr. Johnson and Mr. Duff signed by Stacey E. Webster as chairman and Frank C. Pierson and R. M. Stevenson as members of the sponsoring committee.

It has been taken for granted that Mr. Johnson would be elevated to the presidency at the annual meeting in



W. M. DUFF

Houston this fall. He is the vice-president and by all the laws of precedent and by his outstanding performance, he will go up. Mr. Johnson is one of the most forceful life insurance leaders in the country. For the past 10 years he has been general agent in Pittsburgh for Penn Mutual Life.

Mr. Duff, who is head of the great E. A. Woods Company general agency of Equitable Society, Pittsburgh, was elected a national trustee last year for a one-year term. He has for years given his influence for the welfare of the organized agents and has been a leader in association activities.

Republic National Life Deal

Dallas Company Is Taking Over the Business of the Western Union Life of Lincoln

LINCOLN, NEB. — Approval was given of a reinsurance contract by which the Republic National Life of Dallas takes over the business of the Western Union Life of Lincoln. The Texas company owned over \$18,000 of stock of the Western Union, and will exchange 2,744 of its shares for the remainder of the capital stock of the latter, on the basis of one for every 3½ shares. The purchaser agrees to issue certificates of assumption of liability on all outstanding contracts of the Nebraska company, including all thrift certificates, but not any agency or managerial contracts.

The Republic National was organized in 1930. T. P. Beasley is president, O. L. Burger and T. H. Galbraith, vice-presidents and C. E. Hasting, secretary-treasurer. It has assets of \$1,378,820, insurance in force, \$15,752,000, capital of \$138,275 and surplus of \$40,059, with book value of stock of \$38 a share.

Fuller-Gould Agency Takes Great Northern Life

G. M. Fuller, a leading agent, and George Gould, who for a number of years has been prominent in Chicago insurance circles, have taken over a general agency for the Great Northern Life. It is known as the Fuller-Gould agency.

In the short time it has operated this agency has led the Great Northern organization in written business. The Fuller-Gould Agency handles a complete line of accident and health and life insurance, and is developing brokerage business. Offices are room 711, 110 South Dearborn street, Chicago, the telephone number being Franklin 2795.

Ekern Lieutenant-Governor of Wisconsin, Well Known

Former Insurance Commissioner and Attorney General Is Named by LaFollette

MADISON, WIS.—Governor LaFollette has appointed Herman L. Ekern, former state insurance commissioner and former attorney general and a close friend of the late Senator Robert M. LaFollette, Sr., as lieutenant governor. The governor referred to Mr. Ekern's "long and distinguished record" in public life. Mr. Ekern is the senior member of the law firm of Ekern & Meyers of Chicago. He succeeds Henry Gunderson, who became state tax commissioner in November. Mr. Ekern has maintained his official residence in Madison. He is president and counsel of the Lutheran Brotherhood of Minneapolis, the well known fraternal. Mr. Ekern has not been active in politics since he served as chairman of the Republican state central committee in 1932.

Mr. Ekern's Career

He is a graduate of the University of Wisconsin law school. He was born in Trempealeau county, Wis., Dec. 27, 1872. He became district attorney for that county, being elected in 1895, while he was practicing law in Whitehall. He became aligned with the LaFollette progressive forces and was elected to the assembly in 1903, serving for three sessions. He presided over the 1908 legislature as speaker. Retiring from the legislature he became deputy commissioner of insurance in 1909, and was made commissioner in 1910. The office was made appointive a year later and Mr. Ekern was selected for a four year term.

He is very active in fraternal circles and has a wide acquaintance among insurance men.

Insurance Is Bulwark

DES MOINES.—"Life insurance is one of the greatest bulwarks of American democracy," Gerard S. Nollen, president of the Bankers Life of Iowa, told a chamber of commerce meeting here. "Economic security is the most effective weapon in the fight against all 'isms,' and life insurance is one of the chief contributors towards that security," he asserted.

Public Relations Talk Will Be Featured

A live young man in the business, Robert G. Richards, agency secretary of the Atlantic



R. G. RICHARDS

Life of Richmond, will have an important address before the Southern Round Table of the Life Advertisers Association at Asheville, N. C., this week. He will speak on the important subject, "Development of Public Relations Consciousness in the Field Representative."

The matter of public relations in life insurance is well to the fore these days. President O. Sam Cummings of the National Life Underwriters Association is emphasizing its importance and on his recent visit to New York City contacted with the Life Presidents Association on the subject. Mr. Richards has had much to do with the extension of good will and can speak with authority.

Company reports, policy facts, rates and values all covered completely in the 1938 **Unique Manual-Digest**, \$5. National Underwriter.

Testimony on Investments Is Given in Custodianship Suit

President Ayres Testifies in Hearing on American Life of Detroit—Hearing Ends

LANSING, MICH.—At the completion of a custodianship hearing involving the American Life of Detroit, which began April 16, the court took the case under advisement.

Commissioner Gauss said he had advised the holders of some 33,000 policies now in effect to continue paying premiums. The money is to be impounded in a special fund pending disposition of the company, which remains in temporary custodianship pending the court's decision.

Assistant attorneys general, in summing up the case, sought to point out in the testimony evidence that there was a carefully considered plan on the part of the directing heads to inflate the value of assets by carrying excessive book values of real estate and bond holdings and by resorting to bookkeeping methods which gave a false picture of the financial strength.

Attorney Brucker's Plea

Attorney Brucker, who asserted in his closing plea that Commissioner Gauss had demanded that C. L. Ayres, president, remove his (Brucker's) name from the payroll in the fall of 1933, charged that the commissioner had subsequently employed methods which would "put out of business any insurance company in Michigan." He ridiculed a department chart purporting to show the company would be unable to meet its obligations over the next 10 years because of "actuarial" or "technical" insolvency and asserted that a department-sponsored appraisal of a portion of the realty holdings was unfairly conducted by an appraiser who had been employed by bank receivers and had a "liquidator's point of view."

Motion Is Renewed

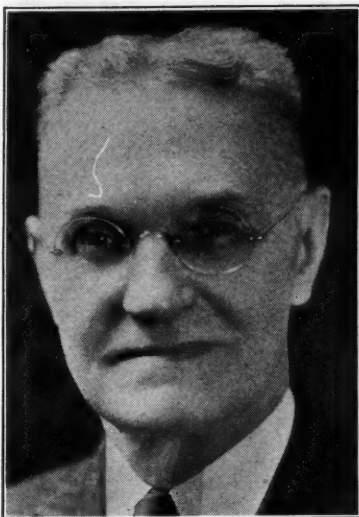
George Klein, American Life counsel, renewed a motion for dismissal of the custodianship petition of Commissioner Gauss. A similar motion was denied by the court at the outset of the case. In the new motion Mr. Klein was permitted to offer extended argument in its behalf in which he attacked the department's action in appraising American Life's real estate holdings as entirely beyond the scope of the insurance code. He also attacked the department's alleged failure to grant a hearing to the company on the results of the purported examination, asserting that the statute provides for such hearings.

Mr. Klein asserted that the insurance code makes no attempt to define insolvency but that the Michigan rule has been inability to meet obligations as they mature. The bankruptcy rule provides for a fair valuation of all assets as compared with liabilities. The department failed to establish insolvency under either rule, he said, failing to prove that the company was not ready to meet any of its matured obligations and failing to show that all of its assets did not exceed its liabilities. He said the department in making its appraisals did not appraise all assets and that its evaluations hence could not be considered in supporting a charge of insolvency.

Testify on Texas Holdings

Charles P. Spangler, a former Texas county judge; Hugh Echols and R. C. Henderson appeared as the state's final rebuttal witnesses. All reside in the vicinity of the American Life's Rio Grande valley holdings and testified they were familiar with valuations there. One of three testified that the company would be fortunate if it realized \$1,500,000 from the sale of its holdings within the next eight years, although the property is

Insurance Advertising Conference Gathering



ARTHUR A. FISK

At the spring meeting of the Insurance Advertising Conference in New York City this week, Arthur A. Fisk, advertising manager of the Prudential, who is president of the organization, presided over its deliberations at the general session.

valued by the company at more than \$7,000,000 and it has loaned over \$3,000,000 on the tract.

Clarence L. Ayres, American Life president, was recalled briefly to the stand to testify that the department, after an examination in 1926, tried to induce company officers to drop part of its investment reserves into surplus in its statement.

John Panchuk, assistant attorney-general, introduced two letters into evidence. One indicates that Mr. Ayres gave minute instructions regarding treatment of the Rio Grande investments by the company's accountants and the other hinted an effort to conceal the close connections between the company, the holding companies to which it sold its huge Texas tract after foreclosure, and its land-selling agency, the Winter Haven company.

Daniels on Stand

Arthur C. Daniels, New York consulting actuary, testified for the company but refused to go on record as admitting the company's soundness or agreeing to its book valuations of real estate and bond investments as correct. Under questioning of Wilber M. Brucker, vice-president and general counsel, Mr. Daniels said that some of the company's methods, to which objections had been voiced were technically acceptable and that if investments were as represented the methods would not be disastrous to the company. He also agreed to the high value of some non-book assets, including possession of an agency and home office plant prior to the department's filing of a custodianship petition.

"Prospective Profit" Indicated

Mr. Daniels testified that, had the department taken no action, the company would have had prospective profit of \$650,000 over a 10-year period on its renewals. He declined to say whether he believed the company's assets were soundly distributed but did testify the investments appeared to be rather too heavy in mortgages and real estate although he said that these assets, if sound, frequently were good revenue producers. He said the company's ratio of cash to gross assets, shown as 1.1 percent, was lower than he favored, recommending 2 percent. First year costs, he said, also appeared to be excessive, ranging from \$20 to \$27 from 1935

through 1937. He said such high costs, however, are not unusual among life companies.

Mr. Ayres in his original testimony sought to counteract charges of the Michigan department that his company is insolvent and unable to continue operations safely under his regime. Mr. Ayres said the company had abandoned operations in all other states, although having operated in 14 states in 1921 at the time it reinsured the American Life of Des Moines and was required to leave \$3,500,000 impounded in that state to protect against claims there but carried the item as a general asset.

Mr. Ayres at first contended that withdrawals from other states had been voluntary. The state offered in evidence, however, letters from the Pennsylvania and Ohio departments which showed otherwise. Mr. Ayres finally admitted that the company had withdrawn its application for renewal in Pennsylvania in April, 1936, because that department had threatened formal action unless there was a "voluntary" withdrawal. In Ohio's case, Mr. Ayres claimed that a demand for a proof of future ability to operate on a sound basis there was being met and that Ohio authorities had virtually agreed to renewal in 1935 when the company executives decided it would be more economical to withdraw from the state. Recent with-

drawals from Iowa, Texas, Indiana, and Oklahoma, the other states that participated with Michigan in the conference examination which precipitated the present proceedings, were also for economy reasons, Mr. Ayres insisted, and were voluntary. Judge Carr had raised the question himself.

Mr. Ayres was also cross-questioned lengthily regarding the company's investments in Rio Grande valley lands in Texas and about a 1923 deal by which the company's old home office was "sold" to the agent, Harold W. Leach, who had been offering it for sale. Mr. Ayres admitted that, when a prospective sale fell through, Leach was allowed an \$18,000 "commission" on the sale to himself. Mr. Ayres denied any personal interest in that building.

During cross-questioning on the Texas investments, the state got into the record letters showing recent sales in the vicinity of the American Life properties, in which its loan investments exceed \$3,000,000, brought from \$40 to \$100 an acre as contrasted with the company appraisers' valuation of \$250 or more an acre for that property. Mr. Ayres contended the sales were in regions which would not be affected by irrigation projects which are to benefit the company's holdings.

Among other disclosures brought out in cross examining Mr. Ayres were: that

Builders of Men

Each step in our carefully charted Agency program is directed toward the successful building of the men in our Agency organization.

We know that it is only through the advancement of each individual within our ranks that this Company can grow.

If you look at the record of accomplishment of the Guarantee Mutual Life during the past three years—you will have the story of the worthiness of our Agency program and of the building of men within our ranks.

Let us tell you more about it.

A. B. OLSON, Agency Vice President



GUARANTEE MUTUAL
LIFE COMPANY

OMAHA, NEB.

Organized 1901

LICENSED IN TWENTY-ONE STATES

the company had spent some \$20,000 on its Texas holdings so far in 1938; that the Hargill company, one of the holding companies financed by the American Life, started 1937 with bank balance of \$1,126, was advanced \$38,397 during the year by the insurance company but ended the year with a balance of only \$15.32; that Mr. Ayres continued to live in a palatial Grosse Pointe home after deeding it to the company in 1932 to counterbalance, in part, a \$127,500 salary voted him that year by the directors and that he was allowed to occupy the house rent-free part of the time at the specific request of the board in order that the property would not depreciate too greatly if it became vacant.

New Loan Has Been Secured

Central States Life Explains the New Financing Plan That Has Been Consummated

ST. LOUIS—The Central States Life has lifted the partial moratorium on policy loans and cash surrender that went into effect for a five-year period June 27, 1933. It recently obtained a new loan of \$1,500,000 from the R. F. C., which after paying off a balance of \$467,108 on an old R. F. C. loan will provide an additional cash reserve of about \$1,000,000 to meet any unusual volume of requests for loans and cash surrenders on policies written prior to June 27, 1933, that may result from the lifting of the moratorium. The old R. F. C. loan originally was for \$1,100,000 and was made in 1932. Since 1932 the company has liquidated debts to the R. F. C. and banks for more than \$2,000,000 and now owes no other loan than the new one of the R. F. C.

Chicago Annual Meeting to Be Held June 16

The annual meeting of the Chicago Association of Life Underwriters will be held June 16. A nominating committee to prepare a slate was appointed by President A. E. McKeough in a short business session preceding the sales clinic held this week. Frederick Bruchholz, New York Life, is chairman, other members being W. M. Houze, John Hancock; W. H. Siegmund, Connecticut Mutual; J. D. Moynahan, Metropolitan, and H. K. Nickell, Connecticut General. Auditing committee named consists of U. T. Eckert, New England Mutual; W. L. Laird, Equitable Society, and Mary T. Dailey, Massachusetts Mutual Life, and election judges, L. M. Buckley, Provident Mutual; Burton Mudge, Jr., Penn Mutual, and A. R. Houle, Massachusetts Mutual.

Griffin M. Lovelace, vice-president New York Life, will be the main speaker at the annual meeting.

L. M. Buckley was named vice-president succeeding A. J. Johannsen, who went to Brooklyn. Directors appointed to serve unexpired terms are Louis Behr, Equitable Society; E. H. Dooling, Prudential, and D. Miley Phipps, Northwestern Mutual.

Three Agencies in Outing

Three general agencies of the Aetna Life will hold a three-day outing June 2-4 at Devi-Bara resort, Wis., with three home office officials attending. R. B. Coolidge, superintendent of agencies, N. M. DeNezzo, field supervisor, and I. F. Cook, assistant secretary group division, will be present. The offices participating are R. S. Edwards, Chicago; H. W. Florer, Grand Rapids, and F. E. Mabon, Minneapolis, who will be hosts. The Edwards agency Big 10 group of leading agents, will hold a dinner at the resort June 1. About 70 are expected to attend the outing. There will be ball games, a golf tournament, and a trip to the Dells.

Social Security Slide Rule \$1. Order from The National Underwriter.

Views Unemployment Tax Exemption for Industrial

Estes Explains Home Loan Bank Membership, and Independent Contractor Method

Three methods by which the industrial companies can avoid the unemployment compensation tax were reviewed by P. M. Estes, general counsel of the Life & Casualty, at the Industrial Insurers Conference in Florida. The commissioner of internal revenue has ruled that a member of the Federal Home Loan Bank is "an instrumentality of the United States government," and is entitled to exemption under the federal statute. Seven states have followed the ruling of the internal revenue department on the status of bank members, including Florida, Illinois, Mississippi, Nevada, Oregon, Tennessee and Washington. A number of states have held to the contrary, including California, District of Columbia, Georgia, Kansas, Kentucky, Louisiana, Nebraska, North Carolina, Ohio, Oklahoma, Pennsylvania, Texas and West Virginia. New Mexico has indicated that such exemption will not be permitted. Some of these states have already reversed their original ruling. Thirty-six companies have secured memberships in the Federal Home Loan Bank.

Independent Contractors

The second method suggested by Mr. Estes is for having agents declared to be independent contractors. He told of the success of the ordinary life companies along this line and he sees no reason why industrial contracts should not be made to conform to the specifications of the internal revenue department along this line. It also would be of advantage from the union or labor relations standpoint to do away with many formal restrictions and regulations that are doubtless of more theoretical than practical benefit.

In the main the industrial contracts should be put upon a commission basis, said Mr. Estes. Territory can be assigned. The fact that general agents pay their own office rent and expenses has not been a determining factor in some cases. In the main the state employment commissions have followed the constructions of the internal revenue bureau at Washington on independent contractors.

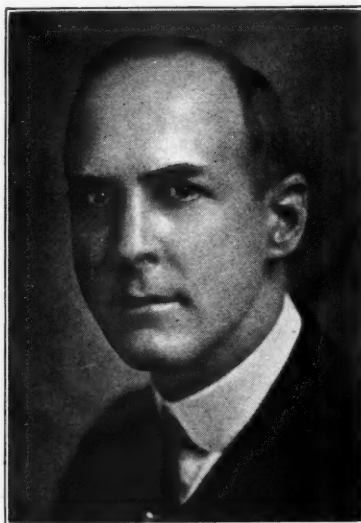
Legislation Considered

The possibilities of federal and state legislation to settle the question were also considered by Mr. Estes. He said that the company had presented a written argument to the federal social security board on the subject but it replied that it did not feel it is in position to urge any exemptions. However, it will not oppose an amendment to the law exempting the insurance business or its agency forces. The ways and means committee of the house of representatives has not taken up social security legislation and it is not expected to do so at this session of Congress, said Mr. Estes. Opposition to attempts for exemption can be expected because the social security board and the state unemployment commissions will probably seek to collect all the revenue that is possible without regard for inequities from the standpoint of the tax payer.

Membership in the Federal Home Loan Bank confers exemption not only as to agents but to all other employees. The independent contractor theory exempts agents but would still leave cashiers and other office employees and managers, and probably superintendents, liable for the tax.

The unemployment compensation tax, together with the old age retirement tax presents a serious problem for insurance companies as they come near to equaling all the other taxes which the

Insurance Institute of Nebraska Elects New Slate



J. CHARLES SEITZ

OMAHA—At its last business meeting of the season, the Insurance Institute of Nebraska elected J. Charles Seitz, actuary Guarantee Mutual Life, as president. E. J. Faulkner, vice-president Woodmen Central Life, was elected secretary. Mr. Seitz succeeds T. A. Sick, vice-president Security Mutual of Lincoln, and Mr. Faulkner succeeds Z. S. Galbraith, Guarantee Mutual.

The institute closed the season with a membership of 60, about equally divided between Omaha and Lincoln home offices.

The meeting was addressed by John Barth, actuary Guarantee Mutual, on "Current Conditions."

Three charter members of the organization founded 15 years ago, were present—Mr. Barth, A. M. Haight, of Haight, Davis & Haight, and Forrest Estes, assistant actuary Bankers Life of Nebraska.

Mr. Sick presided, and 37 members and guests were present.

insurance companies previously paid. Although insurance companies hesitate to get involved in politics, it is necessary to present their cause to legislative and judicial authorities. The policy of non-resistance practiced by the large industrial companies has not resulted in immunity to legislative or administrative tax, said Mr. Estes.

Actuarial Papers Presented

NEW YORK—The following are the new papers which were presented at the meeting of the Actuarial Society of America held here this week:

"Note on Mortality Experience Under Reversionary Dividend Additions," by Dr. Arthur Hunter, vice-president and chief actuary, New York Life; "Actuarial Note: Multiple Decrement," by C. L. Weaver of New England Mutual Life; "A New Annuity Mortality Table," by F. D. Kineke, assistant actuary, Prudential; "Mortality of Fellows of the Actuarial Society of America," by J. R. Larus, vice-president and actuary, Phoenix Mutual.

Arrange for Quebec Trip

Arrangements for transportation from the east to the Quebec meeting of the National Association of Insurance Commissioners are being handled by Deputy Edward McLaughlin of the New York department. Additional cars are to be put on the regular night train out of New York, Monday, June 13, arriving via Montreal the next afternoon. Mr. McLaughlin is receiving reservations for this trip.

President T. I. Parkinson's Views Given on Value of the Ordinary Policy

President Parkinson of the Equitable Life in his talk at Chicago spoke about term insurance and its proper place but at the same time pointed out what similar forms of insurance accomplished. He said:

"Term insurance represents an essential part of life insurance. It provides protection for a limited period and represents an initial step in a permanent plan. But for the average individual a permanent plan of insurance, such as is represented by the ordinary life policy, is more desirable in all respects, and is actually cheaper in the long run. When a man purchases an ordinary life policy he pays more than the cost of insurance during the early years of the contract in order that the company will have a sufficient amount of reserve against which it may draw during the later years of the contract to supplement the premium paid by the insured which is then insufficient to cover the cost of protection. The development of the level premium plan of insurance eliminates the temptation or necessity of lapsing insurance protection during the later years of the contract, at a time when it is most needed, because of an almost prohibitive increase in rate as exemplified in the yearly renewable term plan."

Ban on Brokerage Business Is Proposed in Atlanta

ATLANTA—At this week's meeting of the Atlanta Life Underwriters Association a resolution was introduced, asking that all general agents and managers withdraw their contracts from all general insurance agencies, and adhere to the ruling that only full-time life insurance men shall hereafter solicit life insurance within a radius of 25 miles of Atlanta. All managers, general agents and special agents would refrain from accepting brokerage business from any agency writing general insurance.

Dr. Willis A. Sutton, superintendent of Atlanta public schools, was the speaker.

Maj. J. A. Guinn, general agent New England Mutual Life, presented the question of revision of the local association's by-laws to conform to the standard of the National association.

Kakoyannis Manager 10 Years

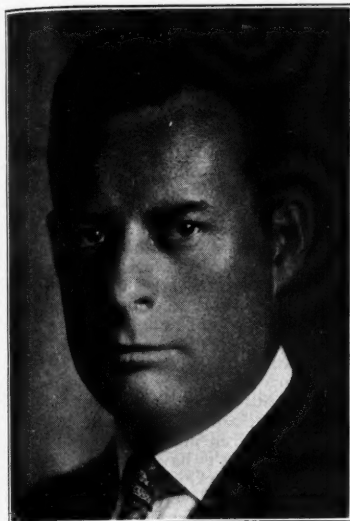
Andrew Kakoyannis will on June 1 celebrate his tenth anniversary as manager of the Stuyvesant ordinary agency of the Prudential in New York City. That afternoon there will be an open house at the agency at which the agents and brokers who have helped to build the office to its leading position in the company will be welcomed.

Mr. Kakoyannis began his insurance career in Athens, Greece, as an agent of the Orient Life Insurance Company. By the time he left for the United States he was vice-president in charge of agencies. Joining the Prudential in 1922 as an agent he became its leading personal producer by 1926 and maintained that position until his appointment as manager in 1928. By 1931 the Stuyvesant ordinary agency attained all first place in production among all Prudential agencies, a position it has held every year except 1937. The agency is back in No. 1 position for the year 1938 to date.

Hall to Talk to Realtors

Frank D. Hall, chief appraiser for the Equitable Society, will speak at the annual conference of the New Jersey chapter of the American Institute of Real Estate Appraisals, in Asbury Park, N. J., June 24-25, on "Practical Capitalization Procedure." Mr. Hall is considered an expert on real estate appraisals and has spoken before other real estate organizations.

Honored for 30 Years' Service with Company



STRATFORD L. MORTON

ST. LOUIS—James L. Loomis, president Connecticut Mutual Life; Vice-presidents H. N. Chandler and V. B. Coffin and Dr. C. E. Homan, assistant medical director, were here Friday to honor Stratford L. Morton's 30th anniversary with the company.

He started with a rate book in the St. Louis office May 13, 1908, and was made general agent in January, 1912, when only 23 years old. He led his company in paid-for volume and number of lives insured in 1910 and 1911 and was the first agent of the company to write \$1,000,000 in a year, with a total of \$1,743,000 in 1923. In 1935 he was again the company's leading personal producer with \$1,300,000.

For the first four months this year his agency showed a gain of 5½ percent over 1937. For 25 years it has ranked third for the entire country and now pays for upwards of \$4,000,000 annually. A number of general agents from various other cities were here for the celebration, which also marked the 90th anniversary of the Connecticut Mutual Life's entrance into St. Louis, establishing the first life agency west of the Mississippi river.

Paul Sanborn, Boston general agent, came on for the event and then journeyed to Chicago for the Million Dollar Round Table meeting.

J. E. Bragg Nominated in N. Y.

Others on C. L. U. Slate Are R. S. Machtel and J. F. Speer — Revised Compendium Distributed

NEW YORK—J. E. Bragg, manager Guardian Life, was nominated for the presidency of the New York City C. L. U. chapter this week. Mr. Bragg has long been active in life insurance educational work and was director of the former life insurance sales training course at New York University.

Other nominees are R. S. Machtel, Union Central Life, vice-president; and J. Fred Speer, Equitable Society, secretary-treasurer. Those nominated for executive committeemen are Robert Bernard, Aetna Life; William Julius, Mutual Life of New York; Harry Krueger, Northwestern Mutual; Robert Redpath, Northwestern Mutual; Carl Spero, independent; and Harris Wofford, manager Prudential.

Prof. W. E. Spahr of New York University, the guest speaker, attacked the economic policies of the new deal, saying that its so-called liberalism is actually reactionism and retrogression.

"The philosophy of those self-styled but false 'liberals' is that the individual must be regimented for his own sake—a philosophy that has characterized

tyrants, dictators, coercionists, and reactionaries throughout human history," he declared. "True liberalism has been associated with that long, painful struggle of humanity to free itself from regimentation, coercion, and authoritarianism."

"People today—in the United States as well as in Europe—have fallen under the spell of words. Label a thing 'liberal' and the unthinking people will follow, advocate, or pursue it as though hypnotized. Label a thing 'conservative,' and they will mark it down as that at once. The gullibility revealed is amazing; the faith in labels is tragic."

"At present these modern Pied Pipers of Hamelin are rapidly leading our people back along the path of coercion and retrogression. What, if anything, will awaken enough people from their soporific lethargy to arrest this backward march is not at all apparent."

Liberalism vs. Coercion

"The battle today is between the genuine liberals and the forces of coercion and retrogression; and it is a battle for some of the most vital things in life—for an improvement in our economic well being, and for a greater individual freedom and a wider recognition of the sacredness of the individual personality."

Copies of the revised edition of the compendium of company practices on settlement agreements were distributed at the meeting. This volume has proven of great value in providing a ready source of information in a field where companies are by no means uniform in their practices.

New Salesman Should Be Shown Four-point Appeal

BROOKLYN—The first 60 days after the new man starts out to sell life insurance require a lot of staying power and it is essential that he be thoroughly sold that life insurance is the business for him. C. I. Thompson, supervisor A. G. Correll agency, New England Mutual Life, said at the Brooklyn Life Supervisors Association meeting.

The new man should be shown that selling life insurance has a four-point appeal: amount of income, enjoyment of work, security, and opportunity. Mr. Thompson said. As to income, he could be shown that he is selling something that has a definite value. There are no inventory problems. The business is unaffected by depressions. There is no help problem. Overhead is low. Income depends on the product, the need for it, and the market for it and life insurance scores high on all these. On the enjoyment side, the recruit

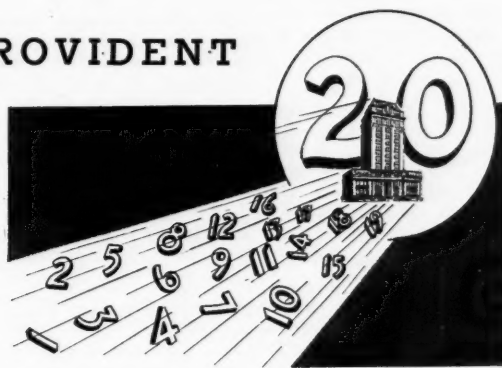
can be shown that he has complete control of his work. He is with the company he likes and the kind of agency and associates he prefers. His prospects can be hand-picked. Unlike many lines the product does not determine who the buyers shall be. The agent is doing things for other people and getting paid for it. He is constantly building good will.

As to security, the business is safe, chance is eliminated and it is permanent for the agent is never too old to work and yet he can stop and live on his renewals, when he gets to retirement age. As far as opportunity is concerned, while 85 percent of buildings

are insured against fire only 7 percent of the human values are insured, it is estimated. Approximately 1,000,000 young men each year reach the age of 21.

Mr. Thompson said that production should be broken down to a weekly effort basis. His agency asks for and gets daily and weekly reports of calls, prospecting and general distribution of time of its agents. He emphasized the desirability of close personal contacts between the agents on the one hand and the general agent and supervisors on the other. Those running the agency should have a sincere desire for the agents to succeed for the agents' sake.

PROVIDENT



gained 20 places in relative standing among life companies in just three years.

—There's a reason—

PROVIDENT Life and Accident Insurance Company

Chattanooga—Since 1887—Tennessee



Hidden Bonuses - -

extra commissions and credits make the Western Life contract superior to any other I have seen," states a general agent. "No agent, however, can fully appreciate it until he has worked under it two full calendar years. The bonus for increased business in force and the persistency bonus at the end of the second year are surprisingly large. Extra commissions for the first and second annual payments amount to real money. And even without these more or less hidden bonuses and other credits for the right kind of business, the contract is as good as is to be found."

WESTERN LIFE INSURANCE COMPANY

Helena

Montana

R. B. RICHARDSON
President

LEE CANNON
Agency Vice President

"Millionaires" Press for Public Relations Program

(CONTINUED FROM PAGE 3)

instituted further inquiries to ascertain when such a program might be launched and who should be contacted.

Members of the executive committee, together with George E. Lackey, Massachusetts Mutual, Detroit, and Grant Taggart, California-Western States Life, Cowley, Wyo., were in Chicago over the week end. That group, plus Harry T. Wright, Equitable Society, Chicago, had several sessions to consider revising the constitution and by-laws of the round table. The group was entertained Sunday afternoon at a cocktail party in the apartment of C. J. Zimmerman, Connecticut Mutual, Chicago, who is secretary of the National association. Also at the party were Baxter Maddox, Atlanta general agent of Connecticut Mutual, and C. E. Homan, Connecticut Mutual medical director.

Luncheon Session Monday

On Monday the visiting millionaires and a dozen or so members of the round table in the Chicago neighborhood had a good fellowship luncheon. Later in the afternoon the visiting millionaires addressed a clinic of the Chicago Association of Life Underwriters.

Mr. Lauer spoke briefly at the luncheon, being introduced by Harry T. Wright. He referred to the meeting in New York last December for the million dollar producers in that area. He said such regional get togethers promote good fellowship and enable the successful men to exchange salesmanship ideas and technique. The New York group, he said, intends to get together three or four times a year.

In the revision of the constitution and by-laws, he said, rigid requirements are being established to compel applicants to submit proof to the executive committee of their eligibility. In the past, he said, the qualifications of some members have been doubtful.

Among those attending the Chicago luncheon were L. L. Newman, Penn Mutual, Fort Wayne, Ind.; A. E. McKeough, W. A. Alexander & Co., president Chicago association; H. K. Nickell, Connecticut General; Malcolm Vail, independent; W. N. Hiller, Samuel Kahl, Felix Simon, and Herman Kramer, Penn Mutual; Louis Behr and James McNamara, Equitable Society; Nathaniel Seefurth, tax consultant; S. H. Foreman, Mutual Life.

New Los Angeles Agency

The Columbian National Life has opened a second agency at Los Angeles at 530 West Sixth street in charge of T. E. Allen, former superintendent of agents of the company, and his son-in-law, C. F. Edwards. Mr. Allen went with the Columbian National as mid-western superintendent of agencies in 1934. Mr. Edwards was connected with the Johnstone & Miller agency of Kansas City, Mo. The Columbian National's other agency is in charge of Ralph N. McCord. Mr. Allen for some time has desired to be at the head of a general agency.

T. S. M. Bloodworth Advanced

The Volunteer State Life has promoted T. S. M. Bloodworth from assistant secretary to agency supervisor. He started with the Jefferson Standard Life Jan. 1, 1922. After five years as conservation manager he spent two years as vice-president and branch manager of the Miami Oil company, reentering insurance Jan. 1, 1928, as agency auditor of the Southern States Life. He joined the Volunteer State Life in March, 1931, and was agency auditor until last July, when he was appointed assistant secretary.

FIVE MILLIONAIRES IN SALES CLINIC

(CONTINUED FROM PAGE 3)

ments, largely determine a man's worth. Prospect with a desire to render service. While acquisition of property and making money are important they are not most important. If we honestly and conscientiously serve people in the business our reward will come. If we are willing to serve we must prospect well.

Approach Is Explained

The approach should push aside all barriers and put the prospect at ease Mr. Lauer said. It is better for the underwriter to state specifically that he came to see the prospect about an important matter and not that he "just happened to be in the neighborhood." Men of business do not have time for sociable chats. The appearance of the underwriter is paramount. The prospect decides if the agent is of the type he wants to do business with.

"Everyone loves to buy; no one likes to be sold," Mr. Lauer said. His favorite approach is to state he has nothing to sell; he is in the life insurance business and wants to discuss it with the prospect. He states that if the prospect should conclude he wanted additional insurance Mr. Lauer gladly would serve him but he may rest assured there will be no effort to sell him anything.

"The prospect can relax and feel he is not compelled to throw up a smoke screen," Mr. Lauer said. "Never admit that business is bad. If you do, give the prospect a reason to buy. Otherwise he may think other people are not buying so why should he. I always state that to turn me and my suggestion down is simple and I am in no way harmed. The prospect who says 'no' is saying that to himself and his family. I state that I am not interested in the amount of insurance the prospect has, but in how it is to be paid to him and to his heirs and how well it will serve the purpose for which it was intended."

"I often find people are cold to the subject of life insurance, but every one listens attentively to a discussion regarding future income. Every one is

striving to find a medium for income during his declining years, so approach from this angle at least will start an interesting conversation and that is an all-important factor in the approach. If you will permit the prospect to talk, he will give avenues of approach to the very subject you want to discuss.

"To be successful in this work, the underwriter must have peace of mind and be contented. So it is with the prospect. We must approach him with the idea of giving peace and happiness and then be able to give the same to his heirs."

Interest can be created by startling the prospect to attention or by quietly and casually ingratiating oneself with him, Mr. Sanborn said. The first method invariably will have to be used on prospects to whom the agent goes without what Mr. Sanborn calls the "power lead."

Use of Synthetic Appeal

The absence of a common topic of conversation to span between the approach and the next phase of solicitation—creation of interest—demands that the underwriter rely on a synthetic appeal which endeavors to make progress with the utmost of reasonable speed. This appeal must be such that it appeals to the underwriter.

"Aren't we as salesmen inclined too frequently to be forgetful of sales stunts that do appeal?" Mr. Sanborn asked; "to attempt sales procedure in complete contrast with our personal tastes? Talk to prospects as you would have salesmen talk to you. When in the presence of the prospect it is imperative that interest come quickly."

"Visual aids, or perhaps organized sales talks, will effect the transition. There should be simplicity of execution, cleverness of manipulation, directness of manner, assurance of purpose, contagion of enthusiasm."

Efficient Workmanship

"Friends or strangers recognize efficient workmanship. Whether you have the power lead or only a passing fancy, when you call on the prospect the result of efficient workmanship is the same. The more power we can inject into the lead to prospecting, the less we need give to laying the bridge between the approach and creation of interest. If in the presence of the prospect, by virtue of the powerful influence of a friend, center of influence, etc., the bridge has been laid. My resultant solicitation is geared to the subject which the center of influence already expounded and I should be promptly but diplomatically on my way to the inevitable close, assuming the prospect has the need and I am the one to supply insurance for it. In find it is difficult to ingratiate myself with a prospect who doesn't know me. That is why I make such an intense and constant effort to supply plenty of power to the lead."

"Let's have a great deal of faith in any medium of communication which involves combined use of eyes and ears. However, it seems imperative that the prospect's eyes and ears must be focused upon and turned to sales pictures or words which have been divested of everything personal. As an underwriter I must be removed from his thoughts. In my place must stand an object or a sentence that is him, his or his family's."

Prospect Interested in Self

"Whether we come upon this prospect without benefit of influence, or whether we come upon him by benefit of considerable influence, our creation of interest will depend largely upon our ability to talk about him or upon our ability to get him to talk about himself. I never forget, however interesting my company policies or plan may be, his interest primarily is in himself."

Mr. Sanborn said that whatever media are chosen in the way of organized

sales talks, latest discoveries in life insurance service, startling or subtle effects, these should be without question the agent's own. In adopting other underwriter's methods, these should be adapted to the individual requirements and the general problems of the agent.

Lackey Takes Up Closing

"A millionaire producer knows when the psychological moment arrives to close," Mr. Lackey said. That is the time for the motivating story, which he said is the greatest closer there is. In his agency there have been prepared 14 of the best closing stories in the experience of the agency. These have closed literally millions of dollars of business. They are based on actual case histories. One is the picture of 1,000 men lined up in front of a machine-gun knowing that nine of them would be killed. The agent paints this picture, then says if a life agent came along trying to sell, how much trouble would we have making a deal. Another has to do with the objecting wife, and a third with the alibi that the children are grown up.

"If you don't have any motivating stories," Mr. Lackey said, "don't go out on the street and sell life insurance."

"Don't be impatient, set up a reasonable, larger objective, strive for and reach it. Then set a higher goal. There is nothing about a millionaire that other agents can't do, except that he works awfully hard, more than most men in the business. The millionaires pay the price of success. Make your personal habits and living measure up to the millionaire's standard."

Notes Two Reactions

Mr. Lackey said there are two reactions of the prospect which call for an immediate effort to close. One is the question about price; the other the prospect's attempt to delay taking the policy. In case of this latter objection, Mr. Lackey always tells the prospect that if he must take time to make a decision on the policy, in all fairness to himself and his family he ought to write down a list of the reasons why he should buy the life insurance and then balance them with reasons why he should not buy it. Mr. Lackey tells the prospect that if he will do that he will rest his case on the results, leaving the decision up to the prospect.

"If he tries to write it down," Mr. Lackey said, "he could not possibly write nearly so many reasons against buying now as for that proposition."

Mr. Lackey digressed from his subject to discuss building prestige. He said underwriters should seek to write items on life insurance and have them published; to become recognized as authorities on life insurance. He showed a Detroit trust company publication containing his article on taxation which was recently published, and said not long ago he made a talk before the women's clubs there, receiving good publicity.

Comments on Service

Mr. Mosler's discussion of service wound up the clinic. "To the life insurance fraternity the concept of 'service' should have a special and personal importance," he said, "because few institutions so vitally affect the average family, the very basis of our whole social structure, as that of life insurance. Selling of every policy with its resultant benefits is a definite and practical phase of our whole social service. Life insurance provides the permanent and unfailing nourishment for the roots of community, state and nation."

"Every life insurance company renders a high grade of service to the public and particularly to its own policyholders. We are so accustomed to this super-efficiency that we are prone to take it for granted and are inclined to neglect the service which the individual salesman can give. It is through the agent that policyholders come in closest touch with the company and it is through him that the personal service, invariably the most valuable, must be made."

"It is in this service that our business code may find expression. This is a mat-

Franklin Life's Agency Official Has Resigned



ROLLIN YOUNG

Rollin Young, vice-president of the Franklin Life in charge of production and agents, has resigned. He states that the severance of his relations with the Franklin does not terminate amicable relationships. He was at the home office and became actuary of the American Life Convention when its headquarters were in St. Louis. Then he returned to the company. He has enjoyed a close and long friendship with the Franklin Life officers and agents.

ter largely of our own responsibility; expression of our standard of values, of right and wrong in our relations with those with whom we are associated in a business way.

Have Broad Vision

"Obviously life insurance service is not planned to draw its motive force from pure altruism alone. Life underwriters, however, who regard their underwriting with broad vision, cannot fail to see that there are a number of ways in which they can serve the interests of insurance, yet which offer no direct personal return.

"We all have encountered men, even among those carrying large amounts of insurance, who are but half-hearted in their enthusiasm. Investigation invariably reveals that these men have been influenced by the results of inadequate, ill advised or improper life insurance service. A case may have come to their attention where a man having paid a certain amount on a policy, through carelessness or other causes has let it lapse and the family after that received no benefits; or perhaps another man, having made substantial sacrifices to provide adequate protection for his family, has died and left the money in a lump sum which the family, inexperienced in administration of money, has wasted and dissipated."

Big Results from Service

He told a personal experience about a policyholder of his whom he wrote for \$50,000 on five year term with waiver in 1930 and in 1931 when the second premium was not paid, faced lapse. The man became ill and was taken to the hospital. Mr. Mosler paid the premium personally and secured the doctor's approval to get the man's signature on a note. The man recovered and a friend came to see Mr. Mosler about the note. This latter man was so impressed by the service that was given that he inquired about the cost of \$100,000 at age 54. Mr. Mosler wrote this amount on the man and also wrote \$25,000 on his son, \$50,000 on the man's wife, \$35,000 on his son-in-law and \$30,000 on a grandchild, the total secured through this service being \$240,000.

"Unless we as agents are willing to make earnest efforts to attempt to remedy cases of poor service, with only a sincere desire to help, and no ulterior motive, alert to the obligation to working in the interest of life insurance as an institution," he said, "we are not professional underwriters but merely agents trying to sell insurance. Above our interests must rise the interest of our profession. We are exponents of a profession insofar as we see our work as a genuine opportunity to use our knowledge and skill to render service, as well as the means of making a livelihood; insofar as we consider the writing of each individual policy as a medium of serving the needs of our fellow men rather than just an opportunity of collecting the commission."

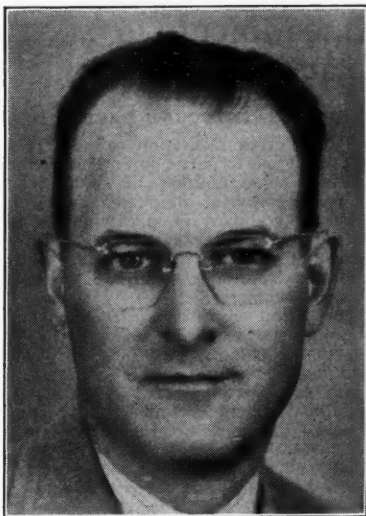
Two Categories Listed

"Using our ability, knowledge and training to diagnose human needs and provides remedies that will fill these needs constitutes the truest and finest service. The term service in its specific application to life insurance automatically falls into two categories: First the service of creating an estate through life insurance, second the servicing of that estate when created so that it may be improved, conserved and kept abreast of trends, conditions and developments.

"The creation of a life insurance estate, according to Huebner, is the only sure way of eliminating one of life's greatest gambles, the only certain way of enabling a bread winner to capitalize and perpetuate his value as such for the lifelong benefit of those dependent upon him.

"Upon us, the life underwriters, devolve both the privilege and sacred duty of arranging for these dollars. How best can this be done? The measuring of such service reveals that when the estates have been created, the poor man, the man of average means and the man

Potent E. A. Woods Co. Man Is a Constructive Force



WILLIAM J. CUMMINS

Soon after his discharge from the service at the end of the World War, William J. Cummins became affiliated with the Edward A. Woods Company of Pittsburgh, general agent of the Equitable Society. His interest in problems of personnel led to his assignment to the department responsible for recruiting new agents. He evidenced special aptitude for this important work, and as assistant manager in charge of new personnel in this agency is recognized as the man who in all probability has placed as many people in life insurance as any other person. In addition, Mr. Cummins is a member of the production committee, and one of the leading underwriters in the Edward A. Woods Co., producing in excess of \$250,000 of business a year.

While particularly interested in various problems pertaining to management and personnel, Mr. Cummins has been very active in many other ways relating to his calling and the larger interests of Pittsburgh's business. He has appeared as a frequent speaker before business groups in Pittsburgh and western Pennsylvania, is a member of the board of the Pittsburgh Life Underwriters Association, one of the leaders of his agency in the placing of life insurance, and as a member of many important committees, has promoted Pittsburgh through the Pittsburgh chamber of commerce.

of wealth should have adequate insurance to guarantee them independence upon their own financial level.

Study and Effort

"The proper diagnosis of insurance needs, like the proper diagnosis of the medical man, demands the application of earnest study and painstaking effort for its solution. The consummate summary of life insurance service lies in the querying of the following question: Are we as underwriters going to peddle a commodity or are we going to discover the needs which life insurance serves and then to each individual sell the insurance which will most adequately and advantageously fill those needs?"

Bank Savings Bill in Ohio

COLUMBUS, O.—A movement to establish savings bank insurance in Ohio is expected to become quite pronounced at the next regular session of the legislature. Labor unions are carrying on a campaign to get such a law before the assembly and the chief proponent of such a law before the legislature last winter will be a candidate for membership in the house from Franklin county this year.

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A Purely Mutual Legal Reserve Company

A. H. HOFFMAN, President Home Office, DES MOINES, IOWA

REDUCTION IN INTEREST ON LOANS UNWISE

(CONTINUED FROM PAGE 2)

swer, of course, is that they are merely individual members of a mutual institution and the rules governing it should be framed to safeguard the security of the institution and minister to the welfare of the majority of the members. Adopting rules which introduce an undue element of banking into life insurance and increase the cost of insurance for two out of three policyholders is not in the interest of the institution as a whole.

Not Borrowing "Own Money"

Furthermore what shall we say about the claim that the policyholder is borrowing his "own money"? In a sense he is, but the procedure is not quite as simple as that. A policyholder has accumulated a loan value of say \$800 under his policy against which no loan has been made. Therefore, the \$800 has practically all been invested in securities of one type or another. It is not being held in cash waiting for him to come and borrow it—although the more emphasis that is placed upon the policy loan privilege the more liquid must be the investments of the company. Hence, when the policyholder requests a loan of \$800, new money to that amount coming in for the most part from non-borrowing policyholders, must be advanced to him instead of being invested in the normal way.

Since, under many conditions, the new investment from the long-term point of view would be more advantageous than the policy loan which may be repaid at any time, the existence of too low a rate for the loan privilege will have a far-reaching effect upon the company's investment policy and upon the rate of interest it can earn upon its investments. Borrowing one's "own money" therefore is not an isolated transaction, but is a privilege affecting the nature of life insurance investments, the security of the institution, and the cost at which it can furnish life insurance protection.

Fluctuating Interest Rate

The suggestion has been made that the policy loan interest rate should be flexible so that the companies, acting either by themselves or by order of the insurance supervising authorities, could within limits alter the rate according to existing conditions. In considering this suggestion one must keep in mind the close relationship between the policy loan interest rate and the net cost of life insurance. To have the net cost fluctuate as the interest rate on all outstanding loans was changed would hardly be desirable from the viewpoint of the whole body of policyholders.

A practical consideration in connection with this proposal is the choice of the index which would determine the setting of the policy loan rate. Should it be the rate of return upon long-term conservative bonds or should it be the rate upon short-term bank loans? At a number of times in our history the latter has exceeded the former. If, for example, the long-term rate should be the guiding index and be so low as to justify a 4½ percent policy loan rate and if the short-term rate should rise above that figure, the companies could easily be swamped by demands that should be handled by the banks. The situation might assume dangerous proportions unless steps were taken promptly to raise the policy loan rate. If the change were in the control of the supervising authorities, unity as well as promptness of action, would be essential. We must always keep in mind that in dealing with a situation of this kind the average condition of the companies is not the criterion as to what may happen. Difficulties in but a small proportion of companies might easily be transmitted to larger and larger numbers if confidence should become impaired.

In concluding the review of our subject, reference should be made to the

relatively small size of policy loans. In our own company, the average outstanding loan is about \$622. Loans usually are built up by more than one transaction. In 1937, our average new loan was \$252. Considering the expense attached to the handling of loans of this size and the rate at which they could be obtained elsewhere, a 6 percent rate would appear to be entirely reasonable.

Looked at from every angle the reduction in the policy loan interest rate is found to be against the best interest of the great body of life insurance policyholders. It has been forced upon the companies by lay opinion based upon grounds which appeared reasonable but which failed to penetrate beneath the surface. The advice of technical men speaking for the policyholders as a whole was brushed aside in order that the apparent interest of a minority class might be served. For the time being we shall have to submit to the conditions that have been imposed upon us. However, times change and the institution of life insurance should use every opportunity to disseminate among the public a true understanding of the basis upon which it operates to the end that sound principles may in due course be reestablished.

W. G. Spencer in New Post

BOSTON—W. G. Spencer, supervisor at the Faser agency of the Penn Mutual Life office in Boston, resigned as president of the Boston Life Supervisors Club, having accepted an appointment as dean at Nichols Junior College in Worcester. Mr. Spencer is a graduate of Phillips-Andover Academy, Springfield International Y. M. C. A. college and the Harvard Graduate School of Education.

Vice-president A. C. Deering, assistant manager of the life department of the John C. Paige Co. office, was elected president. J. S. Braunig, new Boston general agent Massachusetts Mutual, conducted a seminar session on supervision and agency training. Mr. Braunig, who was formerly a General Motors

salesman, stated: "It is easier to sell insurance than automobiles; you have no problems of underselling or secondhand products to contend with."

Proposes By-Laws Amendment On Examination Setup

(CONTINUED FROM PAGE 1)

would be given discretion to select the zones that are to participate. Unless the chairman is so notified, he shall invite the participation of all outside zones in which the company is operating. When the zone chairman is advised that his zone is to participate, he shall select one state from his group to send one qualified examiner.

Convention examinations called by the home state shall be under the direction of the commissioner of that state. Examinations in which the home state is not participating shall be under the direction of the chairman of the zone in which the home office is located.

Examinations of companies operating in only one zone shall be conducted by the home state with such participation by the other states within the zone as may be invited by the home commissioner.

When the examination is concluded, the commissioner in charge shall submit a copy of the examination report and statement of cost of the audit to the chairman of the examinations committee and this information shall be available to all members.

In his notice, Mr. Pew states:

"Being but a recent addition to membership in the association, I naturally have hesitated to take on myself the responsibility for drafting this proposal. However, the official life of an insurance commissioner is so uncertain that I feel he must not hesitate to contribute what he can while he is in office. It is my understanding that amendments to my proposal can properly be considered before the question of its final adoption is voted on."

WEST VIRGINIA VIEW

THE NATIONAL UNDERWRITER solicited several commissioners for their views regarding the conflict between the New

York department and Western Conference of Insurance Commissioners regarding the examination procedure.

Deputy Commissioner Justice of West Virginia replied:

"The zone system has been of great value to this office inasmuch as we have been able to place a great deal more dependence and reliability upon reports of examination when they were participated in by a number of states in conjunction with the home office state.

"It is probably true that a great many states employ certified public accountants and charge excessive fees and sustenance charges but it seems to us that this matter could be worked out by the commissioners as to a uniform basis, first, in the selection of examiners and, second, in the charges maintained.

Might Make Exception

"While Mr. Pink's position is thoroughly understood by most of the people, it seems to us that some exception could be made insofar as New York is concerned and probably the state of Connecticut or maybe a plan could be worked out where a state department maintains a corps of efficient examiners to make certain exceptions to the zone plan. There is no doubt but that the New York department is efficient and capably manned and can certainly take care of the examination of its companies. Nevertheless, it seems to us that the value of the zone system is so great that it should be maintained even though it might be necessary to work out some exceptions to the general plan.

"There are a great many states that are in the same boat as West Virginia, i.e., we cannot maintain a full time examination department on account of appropriations and the availability of persons capable of this particular type of work. The zone system is, of course, more efficient for this state than it would be for a state like New York or Illinois. However, we do think that there is considerable permanent value to the zone system and that it should be maintained and worked out so that it may continue."

A prominent commissioner of a coast state wrote:

"I believe in all probability that the question will be ironed out to the satisfaction of everyone when we arrive in Quebec. I really believe that the honorable superintendent from New York is not as tough as he thinks he is. It does not seem possible that we are all out of step except him, although he has the 'supreme court' behind him, which I understand he appointed (the insurance board)."

Boston Claim Men Elect

BOSTON.—At the Boston Life & Accident Claim Association's annual meeting the following officers were elected: President, John W. Ayer, New England Mutual Life; vice-president, H. H. Noel, Equitable Society; treasurer, George R. Bacon, Massachusetts Accident; secretary, W. K. Hitchcock, Royal Arcanum.

E. D. Millea, president International Claim Association and assistant chief of the claims division of the Equitable Society, spoke on "Cooperative Opportunities of the International Claim Association." President W. A. Robinson, Employers Liability, spoke on "The Advantages of Loyalty and Cooperation Among and by Claims Departments of Insurance Companies."

There were more than 50 members present and at the head table were 12 past presidents of the local association, including Mr. Millea, the first president of the local group, which he helped organize when he was with the Equitable in Boston; Frank Rabbitt, Royal Indemnity; L. B. Pinckney, United States Fidelity & Guaranty, and Peter E. Tumblety, Columbian National Life.

Evans Speaks in Toledo

John H. Evans, vice-president Ohio National Life, discussed "The Inherent Solvency of Life Insurance" before a discussion group at Toledo, O.

Loyalty Month Observed



With the entire field force cooperating enthusiastically, "Loyalty Month" is bringing a big gain in May production for the Central Life of Des Moines. Pictured above, E. H. Mulock, president of the Central Life, is presenting

the first applications received on May 2, observed as "President's Day" launching "Loyalty Month," to Dr. M. I. Olsen, vice-president and medical director. All indications point to a record-breaking month.

Annual Meeting Program Is Given for Quebec Muster

(CONTINUED FROM PAGE 3)

great Sunday night and have breakfast served Sunday morning at a cost of \$6.50.

Special hotel rates for the commissioners and their entourage including wives and other members of families are \$3.50 for a single room and \$6 for a double room, European plan. For the convention "third house" the rate will be \$4.50 and \$5 for a single room and \$8 and \$9 for a double room. Reservations can be made direct to the Chateau Frontenac, B. A. Neale, manager, or James W. Simpson, executive secretary of the general committee, care Sun Life Assurance Company, Montreal, Can.

Officers of the Organization

George A. Bowles, insurance commissioner of Virginia, will preside. S. L. Carpenter, Jr., insurance commissioner of California, is vice-president. The other members of the executive committee aside from Chairman Pink are Commissioners Julian, Alabama; Blackall, Conn.; Gough, New Jersey; Earle, Oregon; Daniel, Texas; Holmes, Montana, and Moore, District of Columbia.

Starnes and Bragg View Economic Conditions

(CONTINUED FROM PAGE 1)

writers and solicitors cannot be over-emphasized. Equally important is the matter of correctly advising and properly planning insurance coverage for the insured. We hold the key that can unlock for our people the doors to future security. The key properly used will open for millions of people the golden gates to freedom, happiness, protection, reward, prosperity, contentment, and future independence. Let it never be said that we did not use that key honorably and worthily," Mr. Starnes concluded.

Must Not Be Complacent

Mr. Bragg flew to the meeting from New York to fill the vacancy on the program occasioned by absence of Claris Adams, president Ohio State Life. Mr. Bragg declared that life insurance people must not allow themselves to become smug or complacent during the present tendency of certain interests to attack life insurance. It is a problem, Mr. Bragg said, because life insurance is a human institution subject to human limitations and because of its huge size is a target for such attacks. Complexity brings recurring problems. New York savings bank life insurance which becomes effective in 1939, "ostensibly a means whereby the poor and underprivileged buy life insurance at a lower cost, becomes a powerful thing in the hands of the politician who bleeds for the poor."

Must Watch Propaganda

"We are undergoing a period of change when people are reexamining political institutions. The typical citizen is not analytical and is likely to be swayed by the powerful weapon of propaganda. He is swayed by his egocentric interest in his own problem and it is natural that he should be superficial in his judgment." Mr. Bragg mentioned the newspaper attacks on industrial, the attack on 6 percent policy loans, the isolation of a problem without regard to its background and reasoning in words which are given an illogical construction when taken away from their background by so-called counselors.

Interest on policy loans bears a direct relationship to the cost of insurance since from two-thirds to three-fourths of policyholders are borrowers, Mr. Bragg said. Any statutory reduction in interest rate may bring about a condi-

tion in which a political appointee would find it difficult to bring an increase in rates.

The so-called counsellors know the structure of life insurance better than agents and are able to make their reasoning sound plausible. In the past, companies have depended upon agents primarily for their public relations. An agent cannot educate the buyer and carry on education in its broader aspects when operating on a commission basis, Mr. Bragg declared. Agents should not only be salesmen but engineers, they should be custom tailors fitting the policy to the prospect's specific needs.

Mr. Bragg said that he hoped the life insurance public relations program which the companies are discussing would be handled as one unit for both ordinary and industrial. "A life insurance policy in a sound company is a life insurance policy, ordinary or industrial," Mr. Bragg said.

There is a crying need for the education of the average agent so that he will be able to explain the structure of the policy in terms understandable to policyholders, said Mr. Bragg. "Fundamentally life insurance is as fine and clean as anything developed by the hand of man." He made a plea that life insurance people not permit themselves to stagnate. Life insurance should adopt progress as its motto and go forward as it has for a century. The final function of life insurance is the achievement of well being for some human being.

Appeals Court Hears Arguments

LOS ANGELES—The United States circuit court of appeals in San Francisco heard argument of the appeal of Mrs. Fannie R. Hutchins of Texas, against the ruling of Federal Judge Roche, that the federal court could not take jurisdiction in a suit of stockholders for the return to them of the assets of Pacific Mutual Life.

Wm. H. Neblett, counsel for Mrs. Hutchins, who owns 50 shares of stock in the old company, declared the due process clause of the constitution had been violated, which brought the case under federal jurisdiction.

Bankers Life Top Men

First ten salesmen for the Bankers Life of Iowa for the year to May 1 are: W. T. Leverett, San Antonio; P. L. Ferguson, San Francisco; J. D. Walsh, Sioux City; W. L. Leavy, Fort Worth; E. A. Trask, Jr., West Virginia; B. H. Demarest, Grand Rapids; S. Bornstein, Seattle; J. S. Smith, Chicago; R. P. Tucker, Elgin, and P. O. Day, Toledo.

First ten agencies are: San Antonio,

Des Moines, Cedar Rapids, Pittsburgh, Chicago, San Francisco, Mason City, Lincoln, and Indiana.

David E. Vollmer Promoted

HARRISBURG, PA.—Appointment of David E. Vollmer as chief policy analyzer of the Pennsylvania insurance department succeeding F. L. Madden is announced. He was educated at Franklin & Marshall College, Lancaster, Pa. He has been associated with the department as assistant policy analyzer for more than a year. Mr. Madden resigned to become associated with the Standard Accident at Philadelphia.

San Francisco C.L.U. Group Is Holding Play Day

The San Francisco C. L. U. chapter is holding its first outing and "play day" Friday at the Claremont Country Club, Oakland, Cal. The program includes a luncheon followed by golf, tennis, putting contest, cards and other games and a dinner in the club house. After that a program of entertainment will be presented.

The committee in charge of arrangements is headed by V. T. Motschenbacher, manager Sun Life.

NEW CAPITAL

More and more new capital is taking advantage of the limitless opportunities offered by the South.

Liberty National underwriters continue to grow with the growing South.

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556 MILLION DOLLARS
ASSETS EXCEED 154 MILLION DOLLARS

INSURANCE COMPANY
HEAD OFFICE
TORONTO, CANADA
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EDITORIAL COMMENT

Good Sense and Sound Judgment Are Needed

IT IS to be ardently hoped that the rift that has arisen between the WESTERN CONFERENCE OF INSURANCE COMMISSIONERS and Superintendent PINK of New York will not lead to any disarrangement or schism in the worthy NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS. The clash between the New York department and the far western commissioners arose over the zone system of convention examinations whereby in case of a regular examination of a company operating in three or more states the procedure would allow all geographical areas to be represented.

Superintendent PINK takes the ground that under the statutes of his state, and in his opinion he is backed by the law department, he cannot invite officially departments of other states whose examiners are not under civil service as is required in New York to take part.

The Pacific Coast and mountain commissioners through their organization contend that a New York company operating in their states comes without any personal or official knowledge of its condition outside of the report of its home department. Therefore, these commissioners naturally have a sense of responsibility and when a New York company entered in their state fails they feel that the public justifiably criticizes them if they have not had any cognizance of its condition. However, the New York department does not require from other states an examination by its own people. It takes the word of the home department.

There is justice on both sides, as we see it. However that may be, it would be a disaster to have any untoward action taken that will tend to weaken or disrupt the NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS which has accomplished so much.

One of the features that enters into the controversy is the claim that many departments do not have competent examiners. Almost all have an actuary who is regarded

as qualified to make examinations and some have one or two extra men. Many of the states with comparatively small appropriations employ public accountants or outside examiners, remunerating them on a fee basis. There have been abuses as to charges of these men, especially in these days when commissioners are analyzing expense ratios of insurance companies.

There are two objects that should be kept in mind. The public is entitled to honest and competent examinations. Unfortunately the laws in many states, and probably all, are not strict enough to guarantee that a license of a company to do business means that it is able to meet its obligations and is trustworthy. The people are entitled to every safeguard they can get in the way of their insurance. The audit of an insurance company should not be a perfunctory duty. There must be an analysis of those elements that make it what it is. There should be ability to look behind the scenes and scent any abuses or weaknesses. Perhaps in many cases examinations are largely routine affairs. There are accountants that are able to make an audit of a concern doing a general line of business and yet may not have the knowledge or experience that would enable them to examine an insurance company in a way that it should be.

Certainly the element of expense should be considered. Undoubtedly there have been serious abuses along this line. The agitation at this time should lead to closer cooperation, more efficient examinations and more satisfactory work. After all the main purpose to keep in mind is the proper protection of policyholders.

The NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS has done a world of good. It has brought about uniformity, it has almost eliminated examination raids, it has originated improvements and it has convinced both the public and insurance people that state supervision, although here and there it may be faulty, is rendering a very useful public service.

Giving General Agents Much Freedom

A. W. BARY, at the head office of the UNION CENTRAL LIFE, is manager of its branch office accounts department. In a talk before the LIFE OFFICE MANAGEMENT ASSOCIATION he made a point that is often discussed among managers and general agents.

Some companies are wont to regiment their field departments very carefully. Others give their managers and general agents more power and place real responsibility on them. They are held accountable

for what happens. However, they are not supervised in such a way that they almost fear to turn around because a rule might be violated.

MR. BARY conceded the point that if a manager or general agent is not capable of handling his work, then he has to be told what to do and how to do it. Where, however, he is capable of running an organization he should be given sufficient latitude to proceed on his own initiative. In that way he builds confidence in his or-

ganization, he grows himself and he is not bound by many small, trivial rules that only hamper his growth and that of his or-

ganization. There should be as large a margin of freedom in this respect as possible.

Social Security Act Needs Revision

IT WAS most unfortunate in the construction of the social security act the federal government did not have as advisers, technical men in life insurance who are foremost actuaries but also have a vision and a sympathy with what was in the mind of the proponents of the measure.

We all have come to the conclusion that it is a part of the governmental service to go as far as it can in establishing social security. In doing this there is needed a plan that is scientifically correct and workable.

President M. A. LINTON of the PROVIDENT MUTUAL LIFE in a recent address

called attention to grievous faults in the present act. First, is the building up of huge reserve, becoming a part of the public debt, paying interest on it into the social security fund. Next, it provides for very low pensions in the early years of operation, rising, in his opinion, far too slowly to the peak rate promised for the future, 40 years hence.

MR. LINTON declares that neither of these principles is correct and they should be remedied. Men of Mr. LINTON's profundity, knowledge, experience and vision should have been actively engaged in the construction of this important legislation.

PERSONAL SIDE OF BUSINESS

R. S. Rust, secretary of the Union Central Life, is head of the June homecoming activities of the University of Cincinnati alumni. He was a member of the class of 1912 in the college of liberal arts. His son, R. S., Jr., is now a student in the university. The homecoming program will include reunions and dinners of various groups.

C. C. Day, general agent Pacific Mutual Life, has been reelected president of the Better Business Bureau of Oklahoma City. He has recently addressed meetings of bankers and insurance men in Kansas City, South Bend, Omaha, Lincoln, Hartford and Tulsa.

J. H. Houlahan, Carson City, Nev., agent Bankers Life of Iowa, wrote \$100,000 new business in week ended May 10, setting pace for entire field force.

H. E. Owens, 61, associate general agent for Nebraska of the Provident Mutual Life, with which he has been connected for 19 years, died at his home in Lincoln.

Thomas E. Lovejoy celebrated his silver anniversary as president of the Manhattan Life May 13. The directors recognized the occasion by presenting Mr. Lovejoy a bronze desk set; floral tributes were received from members of the home office staff as well as the agency force. The Manhattan Life was founded in 1850 and is one of the oldest life companies in the United States.

Samuel Friedenthal, 73, was honored in Toledo, O., upon his retirement as an agent of the John Hancock Mutual Life, concluding 30 years of service. Charles E. Tobin, district manager, presented Mr. Friedenthal a leather cigar case.

Sidney Wellbeloved of the Connecticut Mutual Life general agency firm of Williams & Wellbeloved in Chicago, who suffered a collapse of a lung suddenly last November due to strenuous coughing, has returned to his home at

Winnetka, Ill., from Florida. For many weeks he was in the Evanston, Ill., Hospital and then got to a point where he could go to a mild climate. Seemingly he has recovered. He still is somewhat weak but it is expected that he will be able to spend a little time at his office, probably the latter part of June.

Associate Manager George A. Betts in the Syracuse office of the National Life of Vermont was the top agent in paid business in the whole United States during April. The Syracuse agency under Manager R. C. Meadows has increased its business over the same month of 1937 so far this year. It is \$300,000 ahead of last year up to May 1.

Leopold Szego of the Cleveland agency of the Ohio State Life underwent an exploratory operation in a Cleveland hospital. He is one of the company's leading producers.

Leo Porter, Wichita, Kan., general agent Lincoln National Life, was elected president of the Wichita Metro Club. Morris McCready, general agent Massachusetts Mutual, was named fourth vice-president.

Wallis Boileau, Jr., second vice-president Penn Mutual Life, visited Wayne Clover, general agent in Wichita, in connection with a trip through the southwest part, of which was made by air.

Crawford H. Ellis, president Pan-American Life, is spending several days in San Francisco following an extended visit in southern California. Mr. Ellis has wide business interests in addition to serving full time as president of the life company. While in San Francisco he is making his headquarters with the general agency of Cravens, Dargan & Fox.

Carl C. Twigg of Westminster, Md., was honored at a luncheon in Baltimore in celebration of his silver jubilee as agent of the Continental American Life. Agents from Baltimore, western Maryland and Washington, D. C. attended.

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION
PUBLISHED EVERY FRIDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Asst. Man. Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

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Subscription Price \$2.00 a year in United States and Canada. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.

Speakers included A. A. Rydgren, president; Dr. Claude Benner, D. E. Jones and W. M. Rothaermel, vice-presidents; E. C. Burt, Annapolis, and L. R. Duke, Baltimore manager.

Jack Lauer of Cincinnati, chairman of the Million Dollar Round Table of the National Association of Life Underwriters, set something of a record with a whirlwind speaking tour in connection with the "Annual Message" week. In ten days he gave talks in Indianapolis, South Bend, Memphis, Dayton, Shreveport, La., Little Rock, Ark., and Chicago.

W. T. Nolley, Richmond, Va., general agent Northwestern Mutual Life, was tendered a luncheon by members of the agency in honor of his completion of 40 years with the company. He has been general agent in Richmond for 20 years. Previously for two decades he was with the Baltimore agency of the Northwestern, becoming one of its premier producers.

A. H. Kahler, Indianapolis Life agency director, has been visiting the Fort Worth, San Antonio, and Houston, Tex., agencies of the company.

The North American Life & Casualty of Minneapolis is sponsoring a soft ball team in the Twin City Diamondball League. **H. P. Skoglund**, president, is an ardent ball fan and the team has achieved "top standings," having defeated some of the star teams of the Twin Cities.

L. L. Graham, director of field service Business Men's Assurance, celebrated his 25th year with the company. He has been continuously connected with claim work and until 1934 was chief adjuster. In 1934 he was elected a director. He is a past president of the International Claim Association and for the last 11 years has been secretary.

John C. Ketcham, former Michigan commissioner, has been appointed agricultural counsel for the Michigan Chain Store Bureau. Mr. Ketcham was master of the Michigan State Grange 1912-1920. He will study the state's farm production with a view to developing better market for Michigan products through chain store channels.

Gifford T. Vermillion, Mutual Life of New York manager for Wisconsin, was showered with applications at a surprise affair on his birthday. Upon his return from luncheon, 60 people filed into his office and presented him 52 applications for a total volume of \$133,500. The tribute to Mr. Vermillion was purely an extra effort. The days preceding his birthday produced normal results.

Ray Haffner, actuary of the Illinois insurance department at Springfield, is bereaved by the death of his wife.

George F. Bachman, 45, Kansas general agent of the Northwestern National Life, committed suicide at his home in Wichita. He had just returned from a business trip throughout his territory.

H. P. Cooley, general agent New England Mutual Life in Portland, Me., formerly with the Moore & Summers agency, Boston, gave a dinner for his former Boston associates in Portland marking launching of his new 30-foot yacht. Several home office officials were present.

F. E. Bennett, cashier Boston office Equitable Society, was given a testimonial dinner and reception by members of the agency in recognition of his 40 years' service with the company. Miss Lillian S. Smith, his assistant, was included as a principal guest. Gifts were presented both Mr. Bennett and Miss Smith.

George W. Farley, who died at Toledo, was the Equitable Life of Iowa's oldest agent. He was 83 years of age at the time of his death. He was one

of the Equitable's first representatives in Ohio, signing his contract Aug. 11, 1892. He had been a minister of the Methodist Episcopal Church. He served as general agent until 1925, and then turned his attention entirely to personal soliciting. He was well known in his section of the country. Mrs. Farley survives.

P. A. Parker, agency director Old Line Life, Milwaukee, and Mrs. Parker announce the marriage of their daughter, Paula, to J. E. Clauder.

A. O. Eliason, past president of the National Association of Life Underwriters, has returned to St. Paul after spending the winter in California. Mr. Eliason, former state agent of the Minnesota Mutual Life, is now retired.

Jay Lawshe, 63, of Palo Alto, Cal., for the past 29 years Pacific Coast manager of mortgage loans for the New York Life, died in Portland, Ore., from a heart attack. He was there on a business trip.

"Cine-Kodak News," published by the Eastman Kodak Company, features an article by **M. A. Linton**, president Provident Mutual Life. It is illustrated by a picture of Mr. Linton in moun-

tain climbing attire and then appear some mountain pictures made by Mr. Linton. The article tells some of Mr. Linton's experiences in mountain climbing in Switzerland last summer.

Arthur M. Collens, president Phoenix Mutual, was a featured speaker last week at a joint meeting of the Hartford Kiwanians and the New England Council.

Dr. C. H. Winn, medical examiner for the Aetna Life in Boston, a native of that city and graduate of Harvard Medical School in 1888, died at his home in Newton, Mass.

W. W. Head, president General American Life, was reelected president of the National Council, Boy Scouts of America, at its annual meeting in Cleveland, O.

W. W. Malcolm, assistant agency supervisor Union Mutual Life, was in Chicago this week conferring with Sam Leland, Jr., the new manager there.

Abraham Goldstein, general agent, Bankers National in Hartford for the last nine years will be the honor guest at a dinner next Sunday night to commemorate 25 years in the service of the

Page Warned on Lack of Opportunity 51 Years Ago

Reminiscing recently on the occasion of starting his 51st year with the Travelers, Vice-president B. A. Page had this to say: "In 1863 friends told me, 'You were born too late, boy, to get an opportunity with the Travelers. They have 60 men working there now, and they won't need any more.'"

Zionist movement. Ralph Lounsbury, president, Bankers National Life, will be present.

W. W. Putney, president of the Midwest Life of Nebraska, has been elected president of the University Club of Lincoln.

J. J. Harrison, general agent in Little Rock for Union Central Life, is delivering the commencement address of Henderson State Teachers College at Arkadelphia.

The 1938 Little Gem Life Chart will get you more sales this year.

NEWS OF THE COMPANIES

Hercules Deal Is Approved

Chicago Court Ratifies Merger with Washington National; Many Agents to Go Along in Transfer

Taking over of the Hercules Life by the Washington National has been approved by Superior Judge Fardy in Chicago, this carrying with it approval by the Illinois insurance department, which had been given tentatively, subject to court findings.

The Hercules will be maintained temporarily in its present quarters in 20 North Wacker drive, pending completion of Washington National's home office addition in Evanston. It is expected the move to the north shore suburb will be made by Oct. 1.

The Hercules policies are being taken over by assumption riders and will be continued on that basis. All new issues will be handled at Evanston and premium collections on Hercules business in the present Hercules office.

One wing of the Hercules office is being prepared for use by Washington National officials who will be detailed to supervise the move.

Report Agents Pleased

Washington National officials who are contacting Hercules agents report all so far signify they will go along in the transfer. The problem of the Hercules' home office staff absorption is now being considered and attempts are being made to find places for all possible employees. Carl L. Odell, president, D. M. Berry, his assistant, and W. N. Lowe, treasurer, will remain in the Allstate and Allstate Fire, subsidiary insurance companies of Sears, Roebuck. Many others of the staff probably will go along to the Washington National.

The plans calls for segregation of Hercules Life policies, assets and liabilities, and especially those of the old National Life, U. S. A., which was absorbed by the Hercules. President Odell said, "Never have I, in some 23 years in insurance, worked with a group of insurance men so cooperative as the Washington National staff."

Washington National stockholders will meet May 21 and Hercules stockholders May 23 to approve the merger. Approval by two-thirds majority is required.

Royal Highlanders Ordered to Distribute \$810,724 Now

LINCOLN, NEB.—An order has been issued by Insurance Director Smrha approving the plan voted by the directors of the Royal Highlanders Mutual Life for the distribution of \$810,724 of its surplus reserves, accumulated while operating as a fraternal, and authorizing the directors to proceed with the distribution. The company will credit each policyholder with his ratable proportion, payable in annual installments or accumulated at death.

Mr. Smrha's amended order finds that the plan of distribution to the extent provided and to the policyholders and beneficiaries designated and by the means and methods adopted, is fair and proper.

The officers and directors are authorized to proceed with the plans without further delay. Mr. Smrha adds that this approval is not to be construed as a modification of the terms of his order of May 6, which directed that \$1,325,610 be distributed. The amended order will leave mainly for determination by the court the amount that may safely be distributed at this time and the question of whether the order is an invasion of the rights and duties of directors and officers and invades the field of management.

Clayton Faction Prevails

Columbian Mutual Life Administration Wins Victory and L. T. Binford Meets Defeat

George W. Clayton has been reelected president of Columbian Mutual Life of Memphis. This is a victory for the administration and a defeat for L. T. Binford, one of the founders of the company, who was formerly its chairman.

Mr. Clayton received 10 votes from the directorate, four directors did not participate, two voted for Stanley Trezevant, formerly of the old agency firm of Crump & Trezevant, and one voted for Mr. Binford. Mr. Trezevant had the support of Mr. Binford.

The election was held in accordance with a compromise chancery court decree which halted the litigation between the two factions.

After the election of Mr. Clayton, the other officers were reelected without opposition. The board then unanimously reelected the executive committee.

Commissioner Williams of Mississippi appeared before the board prior to the election.

Mr. Binford and his associates went into chancery court recently to attack the validity of an election held last January in which the office of chairman was abolished and the directorate was reduced from 25 to 17. The officers who were reelected will serve until the next annual meeting in January.

New Name of Yeomen Mutual

Well Known Des Moines Company Asks Its Policyholders to Approve Title, American Mutual Life

DES MOINES—Plans are now under way whereby the Yeomen Mutual Life may change its name to the American Mutual Life in the near future. President A. H. Hoffman makes the announcement. The proposal is being submitted to policyholders and if approval is given the change will take effect after the annual meeting held in June. It is the belief of the officials that the name American Mutual Life will more truly reflect the national scope of the company's operations and those planned for the future. The Yeomen Mutual is more than 40 years of age, has \$26,851,306 assets and has paid to policyholders and beneficiaries more than \$77,000,000. Substantial gains in new business have been made in recent years. There will be no other change except in name. It is a company highly regarded.

Richmond Hospitalization Organization Is Expanding

The North America Assurance of Richmond, Va., specializing in hospitalization insurance, which has been operating in Virginia since it was organized six months ago, is planning to enter West Virginia and Maryland and other adjacent states. It is a non-stock institution under supervision of the Virginia department. St. George T. Grinnan, Jr., the secretary, was for some years with the Richmond agency of the Equitable Society. Mr. Grinnan also supervises the Richmond district office.

Twenty-two district branch offices have been established in the state with upwards of 300 agents. The society has 15,000 policyholders in Virginia, according to S. B. Woods, superintendent of agencies and home office manager, who was formerly home office representative of the group department of the Aetna Life. He has also been with the Continental Casualty and other companies.

A. P. Woods, one of the vice-presidents, was formerly state manager group

department Continental Casualty and recently special group representative Provident Life & Accident. R. U. Woods, another vice-president, was formerly home office representative group division Aetna Life, supervisor of group department Provident Life & Accident, southeastern manager Continental Casualty, southeastern representative Protective Life of Birmingham.

Great American Life Deposit

The Great American Life of San Antonio has voluntarily deposited with the Texas department \$1,000,000, in addition to the capital of \$500,000 already held by the state treasurer. Thus the policies of the Great American are registered and from now on will have the official seal and signature of the insurance commissioner. The Great American has now \$30,000,000 of insurance in force. Its first policy was issued Feb. 2, 1931. The Great American Life management claims that it is the only old line legal reserve life company in Texas maintaining a capital deposit in excess of the legal reserve requirements. Charles E. Becker is president.

Staples Penn Mutual Trustee

P. C. Staples, president of the Pennsylvania Bell Telephone Company, has been elected a trustee of Penn Mutual Life.

To Have New Home Office Soon

The Farmers & Bankers Life is rapidly completing the remodeling of the former Wichita Club building, a six-story fire-proof structure in the heart of the city, which it will occupy as a home office. Plans include complete air conditioning.

The company will occupy the lower floors and is leasing space on the upper floors to other insurance organizations, so that Wichita will have an insurance building. Early plans for mercantile occupancies on the first floor have been abandoned and the building will be entirely offices.

Timely Tie-in with Niagara Bridge

For six weeks from May 2, 32 branches of the Canada Life in Canada, United States, Hawaii, and Newfoundland are engaging in a production competition for a new "spring trophy," set up this year for annual competition. The current event features a bridge building competition in which each branch is figuratively given a contract to rebuild the fallen international bridge across the Niagara gorge.

Celebrates "Founder's Week"

The Capitol Life of Denver will celebrate "Founder's Week" from May 22-28, in honor of its late founder, Thomas F. Daly. Every agent is expected to turn in one application, as a straight business-booster.

COMPANY NOTES

The Union Mutual Life has ceased operating in British Columbia.

The Confederation Life of Toronto has entered Columbia, South America, with J. L. McDermott, manager.

The National Aid Life of Oklahoma City has taken over the Palo Pinto Mutual Life of Fort Worth, Tex.

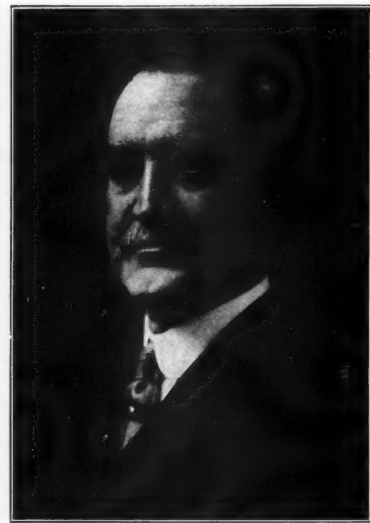
R. G. Stenger has been appointed assistant treasurer of the Western & Southern Life. He entered its service, April 28, 1926, as a clerk in the treasurer's office.

AMONG COMPANY MEN

Hastings Partially Retiring

Veteran New England Mutual Official to Gather Helpful Data for Company

BOSTON—Glover S. Hastings, patriarch of the New England Mutual Life, is "partially" retiring after 30 years' serv-



GLOVER S. HASTINGS

added to his territory and headquarters moved to Providence. In 1908 he went to the home office as superintendent of agencies. In the past 30 years he has visited all parts of the country and spoken at many agents' meetings. He is author of many brochures and articles on insurance matters. He was one of the founders of the Association of Life Agency Officers.

He entered life insurance selling on a full time basis in 1890. In his first full year he paid for \$229,000, an outstanding record at that time.

Starting at Waterbury from scratch, with only three policyholders in that town and \$105,000 in force in the state, he soon built a substantial volume in force. He demonstrated a real talent for selecting and training men, and also had the ability to inspire them. He edited in 1901 the "Agent's Book of Facts" which is well known among New England Mutual agents and has greatly added to volume from the field.

Great Production Increase

Mr. Hastings in 1908 succeeded the late Daniel F. Appel as superintendent of agencies. In his period in the post, annual production has increased from \$16,000,000 to \$157,000,000 and insurance in force from \$179,000,000 to almost 1 1/2 billion.

Mr. Hastings' retirement was induced by his desire to be relieved of the "daily grind of business," he informed President G. W. Smith. He will not, however, give up his work for the New England, but, according to George L. Hunt, vice-president, after a period of rest and recreation at his camp in Maine, will carry on helpful correspondence and gather facts about the company and the business for use by New England Mutual agents and home office. He also plans to travel.

Mullen Succeeds Murphey

Martin J. Mullen has been appointed director of advertising and publicity for the General American Life, effective on June 1 to succeed D. J. Murphey, who joins the advertising department of the

Metropolitan Life. Mr. Mullen has been assistant to Mr. Murphey. He has had widespread experience in advertising and publicity work and has been active in the Advertising Club of St. Louis of which Mr. Murphey is now president.

McClintock to Ohio State; Heads Accident Department

The Ohio State Life has appointed T. T. McClintock manager of its accident department, succeeding George O. Tomlins, who on the advice of his physician is moving to Seattle to take a similar position with the Northwestern Life & Accident. Mrs. Tomlins also has not been in the best of health and it is believed that the change in climate will benefit both of them.

Mr. McClintock, after two years at Drake University, entered the University of Iowa, graduating in 1927. He went with the Lincoln National Life in the underwriting department, resigning in 1930 to join the Columbian National Life. He became head of the stenographic department, organized and supervised the policyholders service department and later became senior acci-

dent underwriter and member of the life underwriting and claims review committee. In 1935 he was appointed manager of the accident department, and in February, 1937, he was elected assistant secretary in charge of the accident, stenographic and policyholders service departments.

Made Agency Superintendent

A. T. Schultz, Formerly Associate Home Office General Agent of the Western Life, Has Been Promoted

A. T. Schultz, formerly associate general agent at the home office of the Western Life of Helena, Mont., has been appointed superintendent of agencies working out of the home office assisting in Montana development work. He took the engineering course in college and went into the public utility business in Montana and later in Texas. For some time he was manager of the gas, electric and street car system of Helena. He returned to Montana and connected with the Western Life. He took a rate book and in August, 1936, became associate general agent of the home office agency.

Lee Made Vice-president

Edward I. Lee, sales director Great American Life of San Antonio, Tex., who has been with the company since its organization, has been elected a vice-president.

INDUSTRIAL

"Neutral" Agents Union to Hold Milwaukee Convention

MILWAUKEE—The first annual convention of the International Union of Life Insurance Agents, organized last year, will be held at the Hotel Schroeder here June 10-11. According to Joseph J. Simon, West Allis, Wis., international president, the union is neutral, not affiliated with either the American Federation of Labor or the C. I. O., but is friendly to both. One of the provisions of the union's constitution calls for peace between the warring factions and demands neutrality until differences between the two labor groups are ended.

Delegates are expected from Racine, Kenosha, La Crosse, Madison, Oshkosh, Sheboygan, Green Bay and Appleton, Wis. Milwaukee, the birthplace of the union, has the largest unit of the group with 443 members, which is claimed to be about 95 percent of the sales personnel employed here by industrial companies.

J. W. Boyle, Veteran, Dies

PROVIDENCE, R. I.—J. W. Boyle, superintendent Providence office Prudential, and associated with the company 36 years, for 25 years as the Providence superintendent, died following a brief illness.

Industrial Office in Houston

The Great American Life of San Antonio, Tex., plans to open an industrial department in connection with its Houston, Tex., agency.

The Metropolitan Life has appointed C. E. Creagh as manager of its No. 2 district in Chattanooga, Tenn., to succeed A. C. Turbeville, recently transferred to Spartanburg, S. C.

Life Business in N. J.

New life insurance business in New Jersey in 1937 totaled \$735,479,498, as against \$720,431,816 in 1936. The total on ordinary was \$339,632,874 as against \$338,980,961 in 1936; group \$142,625,455 against \$109,635,157; industrial, \$253,821,169 against \$271,815,698.

LIFE AGENCY CHANGES

Bender Goes to National Life

Becomes General Agent in New York City, Succeeds M. H. Leonard; Long with Equitable Society

NEW YORK—The National Life of Vermont has appointed William H. Bender, Jr., as its general agent in the



W. H. BENDER, JR.

agency formerly managed by M. H. Leonard at 225 Broadway, New York City.

Mr. Bender's business career, except for two years service overseas with the American Expeditionary Force, has been almost exclusively in life insurance in

the service of the Equitable Society. His experience, which began in 1915 at Milwaukee, includes successful activity as personal producer, assistant manager and manager in Milwaukee, Chicago, and New York City.

Those familiar with Mr. Bender's record believe that his experience and ability will add materially to the National Life's vigorous activities in the metropolitan New York area where it already has a strong general agency under the direction of E. T. Wells.

Biggar Is Windsor Secretary

H. W. Biggar, previously acting secretary of the Windsor, Ont., branch of the Canada Life, has been appointed secretary there. He joined the Canada Life in June, 1932, and shortly afterward went to Montreal as secretary of the Montreal St. Catherine branch. Upon its amalgamation with the Montreal St. James branch he was appointed accountant of the combined office. He has been with the Windsor branch since November, 1937.

Tindal Is District Manager

Ray Tindal, for the past 17 years general agent Reliance Life in Wichita, Kan., has been appointed district manager for the Northern Life of Seattle. Mr. Tindal will be located at 815 Biting building in that city.

Koehn Now at Rockford, Ill.

R. P. Koehn is now located at Rockford, Ill., as agency organizer of the New York Life for the Rockford territory. He is a graduate of Iowa State College, Ames; started in life insurance field in Iowa and for the last three years has been with O. R. Carter, inspector of agencies, New York Life in Chicago, as agency organizer there. Mr. Koehn's

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The Quality of the Assets and their Ratio to Liabilities makes this one of the Outstanding Life Insurance Companies Upon Any Basis of Comparison.

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NEW SALES MANUAL

Chock-full of invaluable sales material on "Prospecting"... "Insurance Estate Planning"... "Profitable Selling"... "What to say and how to say it"... our new Sales Manual is proving its worth to men building their own agencies.

Write today for details of our modern training and financing plan. It will interest you if you want to build your own agency.

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NEW 1938 E.T. Cash Values 40-45 P.B. Inc. 40-45 Extended Inc. 40-45 2 New Policies Family Section 2 New Contracts Option Section 3 New Tables Table Section 4 New Tables Juvenile Section Complete Revision P.B. for Death Only W.L.A.C. Section Special New Policy

Section 3 Insurance Table Option Estate Planning Section 4 Profitable Selling Section 5 What to Say and How to Say It

Form 225 Form 229 Disability for Women Improved D.I. Clause Liberalize Set Paid Term for Parents

office is in the Rockford National Bank building. He is doing considerable recruiting of new agents.

Agency Opened at Coatesville, Pa.

The Bankers National Life of Montclair, N. J., has established a new agency for Coatesville, Pa., and vicinity and W. J. Nethery has been named general agent. He is well known throughout that section of Pennsylvania and has been with the Metropolitan Life during his eight years in the life insurance business, serving as assistant manager for three years.

Lipscomb in Larger Quarters

E. T. Lipscomb, Detroit general agent for American United Life, has moved to new and larger quarters at 2451-53-55 Union Guardian building. Associated with Mr. Lipscomb is Jay Garman who is agency director for the state, outside of Wayne county, Thomas Burns, brokerage manager, and L. L. Williams, as sate general agent.

Opens Covington, Va., Office

The Life of Virginia has opened a district office in Covington, Va., for weekly premium and ordinary service, with B. N. Wilkerson as manager. He was formerly an assistant manager in the Richmond district.

AGENCY NOTES

Stanley Smith, formerly with the Travelers in Des Moines, has become manager of the life, accident and health department of the V. C. Peterson Co., Marshalltown, Ia.

Myron McMillan has joined Matteson Co., St. Paul, Minn., and it is understood will be made a vice-president. He will retain his connection with the Minnesota Mutual Life.

Homer C. Chaney has been appointed district manager for Orange county, with headquarters in Santa Ana, Cal., for the New England Mutual Life. He will open

Yeomen Mutual New St. Louis General Agent Named



JOHN F. MENGES

John F. Menges, Jr., has been appointed general agent at St. Louis, by the Yeomen Mutual Life. He has been in life insurance work for 11 years with the Mutual Life of New York in and about St. Louis. For four years he was district manager in East St. Louis, Ill., territory.

Having qualified for the Quarter Million Dollar Field Club six times, Mr. Menges continuously has been on the honor roll of 75 leaders in paid business on largest number of lives, and in 1935 won the honor of being named vice-president for his district in the \$250,000 Field Club.

Mr. Menges' headquarters in St. Louis are at 947 Boatmen's Bank building.

Transferred to Ohio as Manager of B. M. A.

The Business Men's Assurance Co. has appointed E. W. Welton, now of Louisville, as its new manager for Ohio.

He has been with the B. M. A. for 16 years. His first year with the company he ranked among the leading producers, qualifying as director of the Grant Club, its honor organization, and again the next year. In 1925 he was appointed joint manager for Tennessee, and the following year was given the responsibility of building up the company's business in Kentucky. In May, 1930, a branch office was opened in Louisville, with Mr. Welton as manager. At that time there were no B. M. A. salesmen or policyholders in the territory, but since that time he has developed a splendid organization entirely by his own efforts.



E. W. WELTON

erate under Hays, Hudson & Bradstreet, southern California general agents.

R. H. Young has been appointed general agent in Rockford, Ill., for American United Life, with headquarters in the Gas Electric building. He has been in the business for many years in Rockford and Aurora.

POLICIES

Dividends on Guaranteed Low Cost Form Announced

The Midland Mutual Life announces dividends to be paid on the paid up life at age 85, or "guaranteed low cost" policy, in connection with issues July 1, 1928, to June 30, 1929, including the tontine element of the dividend, for the dividend year beginning July 1, 1938. Therefore a ten year history on this policy now is shown. The exhibit, at five year age intervals on the basis of \$5,000 is:

	Prem.	Dividends	Total
	1933-34	1934-39	
15	\$ 629.00	\$81.30	\$68.85
20	697.50	82.35	72.05
25	785.00	84.35	76.65
30	897.00	87.20	80.20
35	1,042.50	88.45	77.80
40	1,235.50	84.55	72.50
45	1,496.00	77.45	72.30
50	1,853.50	71.10	78.25
55	2,347.00	76.55	97.05
60	3,040.50	108.15	124.90
65	4,035.50	164.65	157.40
Av. Net			
	Pym.	10-Yr.	Av.
	Per M.	Cost	Per M.
15	\$ 9.58	\$21.95	\$ 3.94
20	10.86	245.35	3.95
25	12.48	424.40	3.99
30	14.59	522.85	4.13
35	17.52	644.55	4.63
40	21.57	792.50	5.72
45	26.92	961.45	7.70
50	34.08	1,145.35	11.18
55	43.47	1,343.20	16.60
60	56.15	1,554.85	25.05
65	74.27	1,805.80	38.15

Little Gem Correction

On page 568 of the 1938 Little Gem, the juvenile 30-year endowment premiums for New York Life have slipped down one line. The figure \$27.79 should be shown as the rate for "Under 6 Months" and all others moved up one line so that the column would end with \$30.12 as the rate for age 9.

Raises Non-Medical Limits

North American Life of Toronto announces that non-medical limits are raised to \$5,000 for male lives between ages 15 and 40 on standard plans. The old limit of \$3,000 remains for ages 41 to 45. The total amount that may be written non-medically over a period of years is \$10,000.

LIFE SALES MEETINGS

St. Joseph, Mo., Meeting

Vice-President Griffin M. Lovelace of New York Life Attends Spring Meeting of Agency

More than 50 representatives and their wives attended a meeting of the St. Joseph, Mo., branch of the New York Life.

Griffin M. Lovelace, vice-president, spoke on "The Seven Keys to Successful Life Underwriting." Dick Oliver, inspector of agencies, St. Louis, addressed the group on "For the Good of the Order," and B. A. Notzon, inspector of agencies, Kansas City, Mo., "Simplified Selling."

F. P. Crum, one of the youngest agents of the St. Joseph branch, who paid for \$96,500 his first year, \$188,000 in 1937, and \$172,500 the first four months this year, gave an interesting talk, "Prestige Building and the Things I Do." Giving the highlights of his selling methods, he gave particular credit to use of the Diamond Life Bulletins, and premailing campaign of the Estate-O-Graph. Mr. Crum will qualify this year for the Top Club of the New York Life.

Other Leading Producer

Another leading agent, H. E. McPherson, qualified for the Top Club in his first 90 days of production.

The St. Joseph branch, under Agency Director Paul C. French, is leading every office in the Great Plains department on excess over allotment for the first four months.

American National Convention

Governor Allred of Texas will be the chief speaker at the annual convention of agents of the American National in Galveston May 25-27. Former Congressman Clark W. Thompson will preside at the general sessions.

Supervisor Is Appointed in Newark Agency



L. E. WHITE

Leslie E. White has been appointed supervisor in the Newark, N. J., agency of the Continental American Life, responsible for recruiting and training new men and development of surrounding territory. George Ainbinder and David Moskowitz are the general agents at Newark. The agency is located at 17 Academy street. Mr. White has been with a large eastern company for eight years in Newark and New York.

Cedar Rapids Conference

Eastern Iowa Agents of National Life of Vermont to Hold One Day Session There May 23-24

E. D. Field, vice-president National Life of Vermont, will visit the Cedar Rapids, Ia., agency May 23-24, at which time all agents in eastern Iowa will gather for a one day sales conference. C. V. Shepherd, general agent, will preside.

On the program with Mr. Field will be Roy E. Curran, president Inter-Ocean Reinsurance; R. O. Bickel, C. L. U., and E. C. Evans of the local staff of the company. Mr. Curran will talk on "A Life Insurance Plan of Estate Building."

The Cedar Rapids agency ranked fifth countrywide in new paid business for the first four months. New York City, Cleveland, St. Louis and Binghamton, held the first four positions. The gain in production for the year exceeds 25 percent.

The agency, with nine qualifiers, stands first in number qualified for the White Sulphur Springs convention this fall. Cleveland has eight qualified, Detroit six. The agency will entertain agents and their wives at a dinner, honoring Mr. Field.

Pacific Mutual Regional Rally in San Francisco

Home office executives of the Pacific Mutual Life met recently in San Francisco for a regional planning conference with the field organization for northern California and the Pacific northwest. In the group from the home office were A. N. Kemp, president; Asa V. Call, executive vice-president and general counsel; D. C. MacEwen, vice-president and superintendent of agencies; William Breiby, vice-president, and Floyd Forker, sales promotion manager.

H. Kenneth Cassidy, San Francisco manager, handled arrangements for the meeting and had the staff of his organization in attendance. Those invited from other cities, including general agents and managers with their field representatives, included: Theodore Dreyer, for Oakland and Stockton; C. T. Abell, San Jose; C. G. Standeford, Fresno; H. G. Pink, Sacramento; Harry Reynolds, Billings, Mont.; and V. W. Burke, Portland, Ore.

B. M. A. Holds Meetings of Agents; Drive for Higdon

The Business Men's Assurance is conducting a series of meetings throughout the territory in which it operates. A district meeting of West Virginia agents was held at Charleston, S. C. O. E. Houchins, district supervisor, presiding and being principal speaker.

A meeting for Wisconsin agents will be held May 28 at Madison. J. C. Higdon, vice-president, will attend from the home office. A contest is being conducted in his honor. The plan is to present him a bouquet of "posies" consisting of a drawing representing a bouquet of 100 flowers. Each salesman has been assigned a different color, and for each application submitted a flower will be included in the bouquet in his color. Cash prizes are offered to agents leading in applications, volume and paid production.

New York Life Denver Meeting

Griffin M. Lovelace, vice-president New York Life; Dick Oliver, inspector-at-large, St. Louis, and B. A. Notzon, inspector of agencies, Kansas City, attended a luncheon of the Denver agency with P. L. Corbin, agency director

there, in charge. Elmore Petersen, dean of business departments of the University of Colorado, was a speaker.

Gettys Agency's Annual Meeting

The general business outlook is now improving and the insurance business presents a very encouraging field for intensive work, L. B. Gettys, Davenport, Ia., manager Mutual Life of New York, told 80 agents and officials at the annual meeting of the agency.

Wm. Sevaton, Decorah; J. V. Kennefick, Davenport; J. L. Scripps, Davenport; Lonzo Jones and W. L. Gallogly, Dubuque, and Mr. Gettys were speakers.

COAST

Tells About U. S. C. Course

Dr. C. J. Rockwell Addresses Los Angeles C. of C. Meeting Attended by All Classes of Insurance Men

LOS ANGELES.—Prof. C. J. Rockwell, of the University of Southern California, addressed a meeting sponsored by the general insurance committee of the Los Angeles chamber of commerce, which was attended by fire, life, casualty, marine and automobile insurance men.

The program was arranged by the joint effort of Chairman E. H. Morrison of the general committee, Chairman Roy Ray Roberts of the life insurance committee of the chamber and President Alex Dewar of the Los Angeles Association of Life Underwriters.

Dr. Rockwell pointed out that the two committees sought to have included in the curriculum at U. S. C. as well as other educational institutions a complete course on money management, including insurance, which was to have a prominent place in the course of study. Two years ago the committees arranged with Dean McClung, the late Dr. Teuton and Dr. Rockwell to include the course in the college curriculum. Its success was unqualified, and now insurance instruction occupies one-third of the time in the course. So successful was it that now it is one of the preferred electives and for seniors is a requisite unless they have demonstrated to the faculty that their talents lead along other lines.

No effort is made to turn out finished insurance men, but the theory and principles of insurance are inculcated in the mind of the student in an effort to have him develop an ability properly to evaluate insurance programs and to buy intelligently.

Start Consolidated Agencies

W. T. McConnell, having sold his interest in the Consolidated Life, of which he was president, to the Sunset Mutual Life of Los Angeles, has organized the Consolidated Agencies to write all forms of insurance with offices in the Pershing Square building, Los Angeles. Other officers are W. T. McConnell, Jr., vice-president; W. T. George, treasurer; C. J. Myers, secretary; P. A. Klomp, agency director.

Mr. George was an agent in Washington Springs, S. D., for a number of years. The agency has been appointed general agent of the Great Northern Life.

New Washington Deputy

Howard LeClair has joined the Washington department as one of the deputies under Commissioner Sullivan.

George Maltby, leading personal producer of the Equitable Life of Iowa in Kansas City, Kan., has been appointed head of the executive division in the 1938 mobilization campaign of the Kansas City, Kan., chamber of commerce.

L. D. Lehan, agency supervisor Provident Mutual Life, Sioux City, Ia., has been appointed to the civil service commission there.

AS SEEN FROM CHICAGO

RAWLEIGH WITH CRAWFORD & CO.

J. N. Rawleigh, for some time with the E. W. Hughes agency of the Massachusetts Mutual Life in Chicago, and well known in financial circles, is joining R. N. Crawford & Co., of that city. He will continue his activities in the life field, and in addition will handle all forms of insurance.

BERGER DELIVERS SULLIVAN CHECK

Carl A. Berger, president Insurance Brokers Association of Illinois, delivered a \$1,000 check to the widow of Daniel J. Sullivan, assistant starter in the Insurance Exchange, Chicago, who died a few days ago after an illness of several months. In 1926, Mr. Berger found that elevator men in the Exchange, "house of insurance," were not covered by insurance. So he took the matter up with E. W. Rinder, building manager, and the elevator operators, placing a salary deduction plan. The check to Mrs. Sullivan was paid under this contract. Dan Sullivan had been with the Insurance Exchange 23 years and was well liked.

ZIMMERMAN AGENCY'S GOAL

The C. J. Zimmerman agency Connecticut Mutual, Chicago, began a 30-day production drive aimed to put the office in fourth place by June 16, the first anniversary under direction of Mr. Zimmerman. A year ago the office was in 34th place. E. S. Hewitt, supervisor agents' department, reported full-time agents are paying for more than double the new business of a year ago. Nearly all old agents placed more new business in the first four months this year than in all of last year. Mr. Zimmerman plans a three-day outing to Lawsonia Lodge, Green Lake, Wis., for agents who qualify, and an anniversary dinner June 29.

SCOTT AGENCY WINS CONTEST

The metropolitan Chicago agency Sun Life of Canada, of which D. J. Scott is manager, staged a one month contest in competition with the H. S. Standish agency in Los Angeles. Producers were graded on a point basis, with all factors in the acquisition of new business taken into consideration. The Scott agency wrote a total of 124 applications for \$505,000, (177,892 points) winning the contest. The two Chinese women producers of the agency stood in first and second place, with Miss Mansie Chung turning in 16 applications, scoring 16,125 points, and Miss Edith Fung 15, with 15,300 points. H. C. Treado, agent at Marquette, Mich., a part of the territory included in the Scott agency, was third. There were 15 prize winners in all.

ALLISON AGENCY OUTING

The Chicago branch of the Connecticut General Life, of which N. K. Allison is manager, is holding its annual golf tournament at Elmhurst Country Club, Elmhurst, Ill., Friday. To participate, agents of the branch had to qualify in a five-week production drive. Eighteen holes of golf will be played in the morning round and following luncheon at the club, the final 18. Golf prizes will be given to winners based on 36 holes.

BUTLER AGENCY IN CONTEST

Producers in the W. C. Butler agency Bankers Life of Nebraska, Chicago, are competing in a production contest in celebration of the company's 51st anniversary. Last year the agency placed second in the eastern division with the company setting an all-time record for paid for business. Fifteen free trips to the home office will be awarded to the general agents and agents receiving the highest number of points. The top producer will occupy the position of honorary chairman of the board of directors for one day, the remaining fourteen various other company offices. The

Butler agency commenced the anniversary month by a luncheon at which President Howard S. Wilson and C. P. Peterson, general counsel, were guests of honor. The results achieved by the Bankers Life agents throughout the month will be published weekly in the company's publication, "Broadcaster."

IMPORTANT ISSUE UP

An important trial started this week before Federal Judge Sullivan of Chicago involving John M. Minic who has been head of the Cosmopolitan Mutual Benefit and the Lincoln National Aid of Berwyn, Ill. When the Illinois department got after Minic he moved to Indiana but later returned to Berwyn. He wrote no business in Illinois but conducted his activities all over the country from an Illinois habitat. Under the new code a concern cannot have its executive office in Illinois and write business throughout the country unless it is licensed in Illinois. Therefore, the federal government charged Minic with using the mails for fraudulent purposes and he was indicted. This case is very similar to that of A. C. Littlejohn of Springfield, Ill., notorious operator there, who was found guilty of using the mails to defraud and was sentenced to the penitentiary. However, he has appealed his case, which was denied in Illinois but it is understood he is trying to take it to the U. S. Supreme Court. There are a number of witnesses brought to Chicago from all over the country to testify in the Minic case. James Cullen, supervisor of the mutual benefit associations of the Illinois insurance department, will be one of the important witnesses.

LORRAINE SINTON ON MEND

Lorraine Sinton, sales promotion manager of the P. W. Cook general agency Mutual Benefit, Chicago, who recently underwent an operation, is now

nearly convalescent and expects to return to work June 1.

SIX AGENCIES IN COMPETITION

The James F. Slack agency of the Continental Assurance, Chicago, is competing with five other Continental offices in various sections of the country on written and paid for business. Each agency has contributed \$50 to a general fund, the money to be divided among members of the winning agency according to the individual production records. Other agencies competing include the Insurance Exchange branch, Chicago; Grand Rapids, Newark, Pittsburgh, and Wisconsin, not including the Milwaukee agency.

Although the designated period for written business has closed, agents are allowed up to June 15 in which to pay for this business. This competition has met with much enthusiasm among agents in the various offices and has been responsible for the Slack agency having the second best month in its history, during April. Mr. Slack took over the agency June 1, 1936. Prior to this, he spent six years with the Travelers in Chicago in the Insurance Exchange branch. The agency has 20 full-time men and is the largest in the Continental Assurance group. Although many of the company's agencies devote considerable time to the writing of casualty business, the Slack agency has concerned itself almost exclusively to life.

LIFE TRUST COUNCIL ELECTION

Report of committees on organization of the Chicago Life Insurance & Trust Council will be submitted at a luncheon meeting in the Hotel Sherman at noon, May 24. Constitution and by-laws will be presented for ratification and officers elected. J. C. Mechem, vice-president First National Bank, Chicago, will speak on principles and objectives of cooperation between trust officials and life underwriters. There will be general discussion. C. J. Zimmerman, general agent Connecticut Mutual and secretary of National Association of Life Underwriters, will give a short talk. The

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President

JOHN H. McNAMARA
Founder

PAUL McNAMARA
Vice-President

NORTH AMERICAN BUILDING, CHICAGO, ILLINOIS

committees in charge of organization are: Life—G. S. Brown, M. L. Cohen, Roy L. Davis, assistant director Illinois insurance dept.; Lester Forbes, J. R. Hastie, E. W. Hughes, Lee J. Loventhal II, E. L. Johnson, J. D. Moynahan, R. J. Murphy and J. F. Slack; trust companies—R. D. Cameron, Lynn Lloyd, Samuel Marsh and Harve Page.

JOLLEY'S CONDITION IMPROVED

Walter Jolley, agency counsellor of the E. W. Hughes agency Massachusetts Mutual, Chicago, has been seriously ill at his home for about a month. His condition, however, is improving and he is expected to return to his duties shortly. Mr. Jolley was chairman of the publicity committee in Chicago of the Annual Message of Life Insurance, but due to sickness was unable to take an active part. A. R. Houle, who is a large personal producer and twice member of the Million Dollar Round Table, is the other counsellor in the agency.

TWO OFFICIALS IN CHICAGO

E. H. Snow, agency assistant Aetna Life, and I. F. Cook, assistant secretary group division, were in Chicago this week. Mr. Snow was assisting the R. S. Edwards general agency in developing use among the agents of the estate control plan of selling which he helped to devise, and Mr. Cook was arranging for attendance at the group school of the Aetna Life to be held in Hartford.

R. O. Shipe of Leipsic, O., will this month commemorate the 27th anniversary of his joining the Toledo agency of the Ohio State Life.

VIEWED FROM NEW YORK

By R. B. MITCHELL

Karsch Is Equitable Winner

His Agency Leads in New York Company's Metropolitan District Contest; Herzberg Runner-Up

The Samuel Karsch agency won first honors in the Equitable Society's New York Metropolitan district interagency campaign, second place being taken by the Milton Herzberg agency.

Each agency was handicapped according to man-power and all scoring was on a point basis with credits of 10 points for each completed case, 10 points additional for each binder and 10 points for each \$1,000 of campaign business paid for by May 7, with bonus points for consecutively weekly production.

Friedman High Scorer

Individual high scorer was M. J. Friedman of the Herzberg agency with 2,523 points. Mr. Friedman also won first honors in the 1936 and 1937 campaigns. Striving to be the first to complete 80 cases for the company's eightieth anniversary in 1939, Joseph Maran of the Ford agency wrote 81 cases of which 70 were completed by May 7.

The victors and all agents completing 150 points celebrated at a victory luncheon attended by President Parkinson, Vice-president Graham and Second Vice-presidents Borden, Welch and

Bushnell. Immediately after the luncheon the Karsch agency force presented a traveling bag to Mr. Karsch as a token of their appreciation of his outstanding leadership in the campaign. For winning the contest the Karsch agency was awarded a handsome plaque.

Colombia, S. A., Is Organized

Vice-president G. M. Selser and Medical Director J. A. Avrack of the United States Life have returned to the home office after an eight weeks trip, mainly in Colombia, South America. The company has entered that country. The two officials left for Bogota, taking planes from Miami. Offices were opened at Bogota, Edificio Cubillos No. 601, with A. B. Penry in charge. Accompanying Mr. Penry the two officials made a tour of the chief cities to appoint agents and medical examiners.

De Long Course Yields Results

The DeLong agency of the Mutual Benefit Life in New York City is getting excellent results from its new advanced training course in programming. The agency ran two schools, one in December and one in February and 27 agents are now operating on the advanced basis.

The agency paid for \$1,307,000 in April, a 23 percent gain over April, 1937. For the first four months total paid business was \$5,286,000, a gain of 14 percent. Production of full time men for the first four months showed an even greater percentage gain, amounting to 18½ percent.

R. F. Mellor is leader in volume, having produced \$191,000 in paid business for the year to date. Solomon Huber is leader in lives, having accounted for 23 applications.

Discuss Proposed Code

Continuing study of the proposed new New York insurance code, representatives of the department were in session at Albany Monday and Tuesday, devoting particular attention to the suggestions advanced by company men and others at the various public hearings in New York City last fall, when the tentative draft of the code was discussed.

Hirsts Return from Europe

Albert Hirst, counsel New York State Life Underwriters Association, and Mrs. Hirst have returned from a month's vacation trip in Europe. They visited Vienna, Switzerland, Paris and London.

"Vermont" Is Open Sesame

The memory of Vermont's almost single-handed stand against the New Deal landslide in the last presidential election is proving a distinct asset to the agents of the National Life of Vermont in approaching New York City's business men. M. E. Safron, telephone approach expert, who is currently being retained by the New York City offices of the National Life to make appointments for its agents, has found that almost all business men react favorably to the New England conservatism associated with the name of the Green Mountain state.

When Mr. Safron tells the prospect over the phone the name of the company he represents, he adds, "a New England company with some good, conservative Vermont ideas—if you know what I mean." The prospect may be cold towards life insurance but he is usually hot under the collar about the New Deal and the emphasis on Vermont's thrift and conservatism appeals to him so that it is much easier to sell him the idea of an interview.

Mr. Safron makes from 45 to 50 phone calls a day, actually speaks to the man he asks for in 30 to 32 of those calls and gets from 24 to 27 appointments. He gets the prospect to agree to a 10-

minute interview to discuss a more efficient insurance set-up, a plan for minimizing taxes (though he is careful to emphasize that it is not tax evasion), or a plan of money management. From that point on it is up to the agent to whom the lead is turned over. He also uses the same ideas in getting recruits. One of the men he obtained in this manner paid for \$1,000,000 his first year.

Pink Addresses Davis Agency

Superintendent Pink of the New York department addressed a luncheon of the New York branch of the Canada Life, of which Channing Davis is manager. Mr. Pink explained the workings of the savings bank life insurance system which becomes effective in New York state Jan. 1, 1939.

T. H. Gooch, home office agency assistant, was the other speaker. He congratulated H. F. Underwood on being the leading producer of the entire company for the year to date. He also made awards to the newer men in the organization who have made unusual production records. Among the guests attending the luncheon were several important brokers who, with the full time organizations, had been responsible for the substantial increase in business in 1938.

At an earlier meeting S. T. McEvenue, general superintendent, addressed the agency. He was unable to attend the luncheon because he was due to sail shortly for England with Leighton McCarthy, president of the Canada Life, to attend the convention of the British Isles division at Torquay, Eng.

K. A. Luther Is Honored

K. A. Luther, general agent of the Aetna Life's uptown agency in New York City was guest of honor at a luncheon celebrating his fortieth anniversary with the company May 16. Among those who attended was Agency Secretary R. B. McCurry, who in 1898 appointed Mr. Luther an agent in his home town, Warsaw, N. Y.

Clarence Axman, editor of the "Eastern Underwriter," sailed Wednesday of this week for a two weeks visit to Europe.

Equitable's Old Guard Had Gathering at Atlantic City

The 33rd annual meeting of the Equitable Society's "Old Guard" was held at Atlantic City, there being about 50 general agents, agency managers, associate and honorary members present. The first day was devoted to a discussion of agency problems. The following were present from the home office: W. J. Graham, R. D. Murphy, A. G. Borden, Glenn McHugh, V. S. Welch, V. L. Bushnell, A. P. Carroll, M. P. Dickenson and J. A. Patton. Manager Ryan of Detroit responded to the sentiments from the home office. There were two Equitable directors present, H. M. Alexander and W. J. Roddey who spoke. At the last session President Parkinson gave an address, presenting the fundamental nature and advantages of level premium life insurance for the average person in need of protection. Manager Sweeney of Wheeling, W. Va., responded to the president. Sheppard Homans of New York City was elected president; M. C. Nelson, Des Moines, vice-president; H. H. Wilson, New York City, treasurer, and E. L. Carson, Milwaukee, secretary. The executive committee consists of W. M. Duff, Pittsburgh; T. B. Sweeney, Wheeling; Courtenay Barber, Chicago; M. A. Nelson, St. Louis; A. M. Embry, Kansas City, and A. J. Farnsworth, Boston.

To Start C. L. U. Cram Course

The C. L. U. cram classes in Chicago will be held June 6-8, just before the C. L. U. examinations June 7-9. D. Miley Phipps, Northwestern Mutual, will direct the course.

General Agent Wanted

An ordinary company with established offices in Nashville, Tennessee and four millions of business in force in that territory will offer an attractive general agent's contract to the right party. Only men with clean proven records need apply. Answers should give personal history and complete record of sales experience.

ADDRESS H-58, NATIONAL UNDERWRITER

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Old Established Eastern Company has an unusual opportunity open for Southern California.

Give in first letter full details of insurance background and performance record. Correspondence confidential.

ADDRESS H-60, NATIONAL UNDERWRITER

BUSINESS is GOOD in MIAMI

Wanted: A General Agency contract by an experienced agency builder who has an organization ready and can guarantee \$600,000.00 of new business the first year. Has lived in Miami many years and is well known and has the proper entree and connections to succeed. Only an attractive contract built on a long range program will be considered. Best of references. Address Box 2020, National Underwriter.

NEWS OF LIFE ASSOCIATIONS

Carroll Day's Notable Talk

Well Known Oklahoma City Manager of the Pacific Mutual Life Gave Address in Lincoln

Carroll C. Day of Oklahoma City, manager of the Pacific Mutual Life, spoke before the Lincoln, Neb., Life



CARROLL C. DAY

Underwriters Association. He is one of the outstanding life insurance men of the country and was greeted by a large audience. In his talk he divided the life of man into three periods. First, from one to 20 years is the learning time when one is the consumer and someone has to be the provider. The next period is from 20 to 60 or the earning period, when he is both consumer and producer and must provide something for the last period, the yearning time from 60 onward.

Four Chief Elements

He said that the most important elements in life could be boiled down to four principal categories, spiritual, physical, social and economic. When it comes to the economic factor then life insurance steps in.

The realization that the economic factor is the most important, and the realization that one must provide for old age, brought Mr. Day into the realm of life insurance. He gave the five cardinal rules for selling life insurance:

Rules For Selling

1. Never argue. You never win an argument.
2. Never discuss life insurance. Life insurance is a mechanical device about which men indulge many opinions. Never discuss it until there is a meeting of minds on the economic problem of life.
3. Always discuss life—its problems are never debatable.
4. Get agreement on the major issues. Nobody can deny that men get

MISSING POLICYHOLDERS

Our business is finding missing policyholders and beneficiaries, unknown or missing heirs. Research (our expense) in all countries. In business 25 years. Let us help you clear up old files and reserves.

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We are now preparing to open Branch offices in Every State—
We need experienced "Old Timers" on a Substantial Salary Plus Basis.
All Correspondence Confidential
Finality Service Incorporated
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old. Nobody can deny that earning power terminates. Nobody can deny that when earning power terminates a new source of income is necessary.

5. Don't let the buyers write the rules. And that's the inclination of the buyers. The conglomerate mess of life insurance that most men own is based upon the fact that they wrote the rules in purchase."

"Miracle Business"

In conclusion Mr. Day stated: "If life insurance men would just learn that life insurance is merely 'love triumphant'—if men just believed in the romance and the miracle of this great business. Don't tell me that Aladdin's Lamp has been lost when I can spread a little ink on a piece of paper and underwrite happiness, character and confidence.

"Can't you submerge the details and help men with this troublesome job of living? Men are worried. Life insurance is the answer: Women and children are the inspiration."

Mr. Day's Career

Mr. Day has been connected with the Pacific Mutual for more than 27 years. He has been general agent in Oklahoma during that period. He served as president of the Oklahoma Association of Life Underwriters and for two years was vice-president of the National association. For two years he was president of the general agency association of the Pacific Mutual. He is author of the Pacific Mutual "Sales Manual" and its "Nominators' Manual."

Arkansas Elects Officers

Four nationally known producers, all in the \$1,000,000 class, spoke at a sales congress of the Arkansas and Little Rock Life Underwriters Associations. The Arkansas association at its annual election named George Vinsonhaler, New York Life, president; Stanley Johnston, Fort Smith, and J. A. McLeod, Pine

New President of the Kansas State Agents Unit



ROY G. DENISON

Roy G. Denison of Salina, who is the newly elected president of the Kansas State Association of Life Underwriters is manager of the Salina district for Metropolitan Life, a position he has held about seven years. He was previously connected with the Metropolitan offices at Leavenworth, Kan., and Kansas City, Mo.

He was general chairman of the sales congress committee and last year was vice-president of the state association.

Bluff, vice-presidents, and E. B. Schicker, Little Rock, secretary-treasurer.

Speakers were Jack Lauer, Cincinnati, chairman Million Dollar Round Table; H. G. Hewitt, Houston, manager Northwestern National Life; Gale F. Johnston, St. Louis, divisional group sales manager Metropolitan Life, and Henry O'Neal, Shreveport, district manager Mutual Life of New York.

Rabinovich of Flint Heads Michigan Association

DETROIT—Jack Rabinovich, Northwestern Mutual agent in Flint, was elected president of the Michigan association at the annual business meeting here. He served as vice-president for several years and succeeds G. E. Lackey, Massachusetts Mutual, Detroit. K. W. Conrey, Penn Mutual, Grand Rapids; C. J. Sparks, Sun Life, Jackson; Ed Poat, Equitable Society, Battle Creek, and R. W. Turner, Connecticut Mutual, Detroit, were elected vice-presidents. H. B. Thompson, Detroit, secretary-counsel of the Associated Life General Agents & Managers and the Life Underwriters Council, was re-elected secretary-treasurer. The directorate will be composed of members nominated by the various local associations affiliated with the state organization.

A resolution was unanimously adopted to the effect that the association publicly expresses confidence in the integrity and singleness of purpose of Commissioner Gauss, complimenting him upon his unbiased and non-political handling of the affairs of his office and decrying the recent "unwarranted" attacks upon him.

Hill in Two Addresses

Grant L. Hill, director of agencies Northwestern Mutual Life, will be one of the principal speakers at the Iowa state meeting and sales congress at Des Moines June 3. He also will address the Life General Agents & Managers Association of Columbus, O., May 23.

El Paso, Tex.—G. A. Helland, Connecticut Mutual Life general agent, San Antonio, Tex., spoke on "Is Our Job Really So Hard?"

St. Louis—E. E. Smith, educational director Equitable Life of Iowa, addressed the young men's division, followed by a panel discussion of various insurance subjects. Alex Miltenberger, Jr., is chairman of the division.

San Diego, Cal.—Roy Ray Roberts, state agent State Mutual Life and chairman of the Los Angeles chamber of commerce life insurance committee, spoke on "Modernizing Old Ideas." Vincent Manchec, leading producer of his agency, talked on "The Money Value of Organizing Your Time."

California—The annual meeting will be held in San Francisco June 26-28. The program has not yet been completed.

South Dakota—The annual meeting will be held May 21 in Mitchell. It has been announced by A. W. Palm of Huron, state president. Local associations from Aberdeen, Huron, Watertown, Sioux Falls and Mitchell will be represented.

San Francisco—To build prestige for the organization and its members, the association is publishing an advertisement listing the names of the entire membership. The display occupies more than five newspaper columns.

Georgia—The annual meeting and sales clinic will be held in Macon June 2-3. Lawrence Willett, Atlanta, will be one of the speakers on that occasion. The full program will be given out later.

Indianapolis—Richard E. Hanley, Equitable Society, Chicago, former football coach of Northwestern University, was the speaker. He was introduced by Homer L. Rogers, W. J. Greener presided, and E. A. Krueger, general chairman for the Indianapolis "message" observance, directed the program and gave an address. J. Perry Meek, essay con-



Can You Offer Him a Low Cost Policy?

General Mutual's preferred risk policy belongs in your portfolio. Why? Because it enables you to meet competition—when you're talking to the thrifty buyer of life insurance. . .



Outstanding
BY ANY
STANDARD
OF
COMPARISON

FOUNDED
1867

● The Equitable Life of Iowa issues both participating and non-participating life policies; annuity contracts; and "man-sized" life policies for juveniles from date of birth to age 10.

EQUITABLE
LIFE INSURANCE COMPANY
OF IOWA
HOME OFFICE DES MOINES

test chairman, presented the trophies. Virgil Stinebaugh, assistant superintendent of Indianapolis schools, introduced the high school principals and English teachers of the winners who were also guests.

Commissioner Newbauer was a guest at the speakers' table and was introduced.

Salt Lake City—Representatives of the Equitable Society sponsored the program for the meeting. Speakers included S. L. Hemstreet, District Managers W. F. Smith and E. E. Vandehel of the Equitable, and Commissioner Neslen. Membership is now 134.

The June meeting will be a strictly business session, including election of officers, annual reports and decision of the judges, all members of the famous Deans Club, as to which companies rendered the best program, from the standpoint of originality, education and inspiration. The winner is to receive a handsomely designed Utah silver plaque.

Davenport, Ia.—C. A. Kuttler, manager National Life of Vermont, has been nominated for president; J. J. Hilbe, Guardian Life, vice-president; Charles Sessions, New York Life, second vice-president; Loyd Gettys, Mutual Life of New York, secretary; John Cosgrove, Phoenix Mutual, treasurer, and Paul Otto, Connecticut Mutual, state committeeman. The election will be held in June.

Dick LeBuhn, Massachusetts Mutual, present president, and Karl E. Madden, Penn Mutual, were nominated for the executive committee.

Shreveport, La.—M. O. Carter, Jefferson Standard Life, is the new president. W. F. Woods, Prudential, is vice-president; Heran Herold, Union Central, is treasurer, and Oscar Manasseh, New York Life, secretary.

Rock County, Wis.—At a meeting in Beloit to form a county organization, affiliated with both the Wisconsin and National associations, W. J. Tucker, Beloit, Travelers, was elected president; W. J. Snively, Janesville, Northwestern Mutual, vice-president; Chester Uehling, Beloit, Aetna Life, secretary, and Harold Myhre, Janesville, Old Line Life, treas-

urer. The organization is composed principally of Janesville and Beloit agents and it is planned to hold monthly meetings alternately in those two cities. The state association was represented by Alvin Moser and Ellis Morgan, Milwaukee; R. L. Hesse, Harold Noer, and Franklin Van Sant, Madison.

Seattle—J. F. Habegger, Northwestern Mutual Life, has been advanced from vice-president to president. R. S. Buzard, manager Reliance Life, was named vice-president; Don Moore, Penn Mutual, secretary, and Paul Cressman, Metropolitan, treasurer.

Oklahoma City—A. W. Litz, Nashville, director of agencies in Tennessee and Kentucky for the Great Southern, will speak on "Life Insurance as a Career."

Columbus, O.—F. H. Haviland, vice-president in charge of agencies, Connecticut General Life, spoke at a meeting Wednesday.

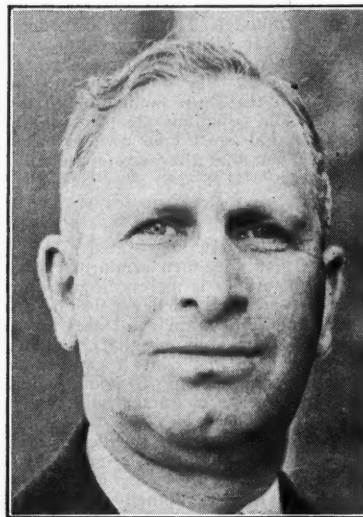
Dallas—Frank M. See, St. Louis general agent New England Mutual Life, spoke at a joint meeting with the Salesmanship Club.

Fall River, Mass.—The savings bank life insurance problem was discussed at the May meeting. Clarence W. Wyatt, John Hancock, Boston, former president of the Massachusetts association, analyzed the situation as affecting Massachusetts agents and a question period followed.

Detroit—Charles A. Macauley, state agent John Hancock Mutual Life, was named chairman of the nominating committee to bring in a slate of officers to be voted upon at the annual meeting next month.

Augusta, Ga.—Douglas Horne was elected president at the annual meeting; T. M. Reid, vice-president, and L. H. Gore, secretary-treasurer. Plans were made for enlarging the organization to include all legitimate life insurance writers in Richmond county.

Illinois State Meeting in Bloomington This Week



W. M. LATEER

The Illinois Association of Life Underwriters is holding its annual meeting and sales congress this week in Bloom-

ington. On Friday afternoon there will be a managers and supervisors conference in charge of Philip B. Hobbs, Chicago Equitable Society manager and vice-president of the state association. The annual meeting will be held at 4 p. m. with President William M. Lateer, John Hancock, Peoria, presiding. A dinner dance will be held in the evening with President George J. Mecherle and Eugene Hieser of the State Farm Life, as hosts.

An all day sales congress will be held on Saturday. In addition to the outstanding speakers already announced, John D. Moynahan, Metropolitan Life manager at La Grange, will talk on "Who Sells to Whom—and How Much," and Roy L. Davis, assistant insurance director on "Trends in Supervision."

Mr. Lateer has had a successful administration as president of the Illinois association. Last fall the semi-annual meeting and sales congress at Peoria attracted a large attendance. Mr. Lateer was secretary-treasurer of the state association for two years and vice-president for two years. He is also a past president of the Peoria association. He has been with the John Hancock Mutual Life for 25 years.

Toronto, Can.—The May meeting was held this week. The speaker was B. K. Sandwell, editor of "Toronto Saturday Night," which devotes several pages to insurance.

LEGAL RESERVE FRATERNALS

Societies Lose Oklahoma Suit

Effort to Secure Permanent Injunction Against Board Fails in Federal Court

OKLAHOMA CITY.—The state fraternal insurance board retains its freedom to apply the principle of a resolution adopted by the board in February providing that the board would grant licenses for fraternal societies to operate but did so without prejudice to any future action at discretion of the board in refusing a license if in its judgment a fraternal was operating in violation of the fraternal law. Such is the effect of a ruling of federal court, western district of Oklahoma, by a three-judge decision rendered here. It dismissed application for a permanent injunction to restrain the board from further interference in operation of fraternal societies in the state.

State's Right to Adjudicate

The action follows litigation started during the term of Governor W. H. Murray, when he employed special attorneys to sue fraternal societies for premium tax amounting to about \$2,000,000 over a period of years.

The court held the state had a right to "adjudicate the question of whether the companies are engaged in classes of business not authorized by law."

Attorneys for the fraternal societies were granted right to appeal and a nominal bond of \$500 in each case allowed. If at the end of 20 days no appeal is perfected, the court order becomes final. The three-judge court was composed of Judges F. E. Kennamer, Tulsa; S. G. Bratton, Albuquerque, N. M., and E. S. Vaught, Oklahoma City.

Makeup of Board

The fraternal insurance board now consists of Don Anderson, Oklahoma City; Tom Moran, Muskogee; T. A. Gavin, Tulsa; Noah Watts, Oklahoma City; R. L. Forgan, state manager Woodmen of the World, Omaha, and Jess G. Read, insurance commissioner. Mr. Watts is state manager Modern Woodmen, which led in the injunction effort. Citations for contempt against board members filed some time ago were dismissed by the court in finding they

had rescinded their previous action and allowed licenses to be issued.

This ends for the time being a long drawn out action against about 30 fraternal societies operating in the state. It remains at the discretion of the board whether or not there will be further litigation. An opinion of the state supreme court some time ago held the fraternal societies exempt from payment of premium tax.

The federal court also dismissed contempt action against three members of the board for denying licenses to fraternal societies in face of an injunction which was in effect. The three members were Clem Moran, Don Anderson and Mrs. Elizabeth West, Mrs. West having resigned.

Law Violated; Cover Voided

The Oklahoma supreme court in Sovereign Camp W. O. W. vs. Wright held there could be no recovery where the assured died while riding a freight train in violation of the laws. The certificate

SOME

PERTINENT

FACTS ABOUT

Supreme Forest

WOODMEN CIRCLE

● Total Membership 133,030

Total Protection \$107,781,336

Written in 1937 13,041,835

Benefits Paid in 1937 1,643,312

Benefits Paid since Organization in 1895 38,799,018

Dora Alexander Talley, President
Mamie E. Long, Secretary
Home Office, Omaha, Neb.

Men make money in their own business and then lose it in the other fellow's

Money invested in Life Insurance is worth just what it is represented to be when the Insurance was bought.

Those who put money into Life Insurance find it a great resource in days of trouble.

Life Insurance used to be called

"Die Insurance." You had to die to get the money.

Today men and women buy—"Living Insurance."

With its Legal Reserve Policies, completely modernized, for Men, Women and Children, this organization is well equipped to offer a complete Life Insurance program.

Equitable Reserve Association

NEENAH, WISCONSIN

(Forty Years of Proven Service)

1902

1938

AID ASSOCIATION for LUTHERANS

APPLETON

WISCONSIN



Our Own Home Office Building

A Legal Reserve Fraternal Life Insurance Association for Men, Women, and Children, with \$182,345,071.00 Insurance in Force, and Total Assets over \$26,132,834.63

Thirty-five Years of Fraternal Service and Achievement

ALEX. O. BENZ, President
OTTO C. RENTNER, Vice-President

WM. H. ZUEHLKE, Treasurer
ALBERT VOECKS, Secretary

provides that the insurance is avoided if the member dies in consequence of the violation of the laws of the state or the United States.

Big Campaign for Bradshaw

Woodmen of the World People Put on a Heavy Drive in April to Honor the President

OMAHA — The Woodmen of the World Life announces that a 60-day membership campaign ending May 1 produced new business amounting to



De E. BRADSHAW

\$26,188,250. President De Emmett Bradshaw, to whom the drive was dedicated, said it was one of the greatest successes in the 48-year history of the society.

More than 1,600 field men, paced by Charles Sublett of Los Angeles, participated in the campaign. He, alone, secured new members with life insurance protection totaling \$274,000. His nearest rival was P. P. Lopez of San Antonio, who wrote new business of \$245,500.

Seymour Camp No. 16 of Omaha enrolled 201 new members applying for \$361,700. Second among 8,000 camps in the nation was the Sterling C. Holston Camp No. 192, Salinas, Cal., with 134 new members applying for \$265,000.

Texas led all other states with applications for \$5,438,050. North Carolina, led by J. E. McAbee, Sr., was second with \$2,268,250. Georgia missed the \$2,000,000 mark by only \$11,000, while other states over \$1,000,000 were Alabama, Tennessee, Louisiana, California and South Carolina.

Supreme Officers Are Elected in New England Order

BOSTON—Miss Mary M. Doyle, Cambridge, Mass., was elected supreme warden of the New England Order of Protection at the two-day annual convention here. More than 200 members attended. Miss Doyle has been acting supreme warden since the death of Asa Smith of Marblehead in November, 1937.

Other officers of the supreme lodge elected are: Vice-warden, E. W. Osterberg, Portland, Me.; sitting past warden, F. W. Swett, Lynn; secretary-treasurer, W. B. Power, Marblehead; chaplain, Mrs. Mae E. Carlson, Portland, Me.; guide, LeRoy O. French, Providence, R. I.; guardian, Mrs. Ellen F. Powers, Norwich, Conn.; sentinel, Mrs. Grace E. Thurston, Somerville; trustee, T. J. Meany, New Haven, Conn.; chairman finance committee, F. T. Peabody, Melrose; chairman committee on laws and appeals, Judge Harry Mansur, Auburn, Me.

Members of the executive committee, one from each New England state, are: P. F. Gorman, Auburn, Me.; Mrs. Aletta

M. Nichols, Manchester, N. H.; Austen Nichols, Brattleboro, Vt.; H. C. Woods, Malden, Mass.; H. N. Davis, Providence, R. I.; G. B. Cadman, Hartford.

It was decided to make all certificates for those 80 years or more of age good for the face amount as a paid-up contract. The face amount is to be paid at death.

Milwaukee Congress Formed With Werkmeister Head

MILWAUKEE.—Representatives of seven fraternal with combined membership in the Milwaukee area of approximately 50,000, organized the Milwaukee Fraternal Congress. O. B. Werkmeister of the Modern Woodmen was named chairman. Other officers are: Vice-chairman, John Prasser, Jr., Odd Fellows; secretary, L. E. Packard, Knights of Pythias, and treasurer, John Kohl, Elks. The Moose, Eagles and Pilgrims also are represented in the congress. Formation of a central body to promote greater harmony and cooperation among the fraternal groups had been discussed for several years. Purposes of the congress were outlined by Mr. Werkmeister as: "To alleviate suffering and distress, bring sunshine and gladness to hearts in gloom, teach clean, honorable living and inspire men to greater deeds of loving service; to increased respect for the American flag and emphasize our duty as American citizens."

Akey Elected President of Wisconsin E. R. A. Chapter

WAUSAU, WIS.—Howard Akey, Wausau, was elected president of the Wisconsin chapter, Equitable Reserve Association, at the concluding session of the two-day state convention here. He succeeds O. W. Mavis, Milwaukee. Other state officers elected are Irving Payne, Eau Claire, vice-president, and Miss Mayme Lacourciere, Oconto, secretary.

Delegates were named to the supreme assembly at Milwaukee June 14-15, when delegates from Minnesota, Illinois and Michigan also will attend. Resolutions adopted call for local units to participate in safety work, and for submission to local assemblies of the question of holding state conventions every two years instead of annually. Judge J. C. Karel, Milwaukee, president; N. J. Williams, Neenah, vice-president; G. A. Comstock, secretary, and John Tolverson, treasurer, spoke at banquet.

Disappearance Clause Upheld

The Kansas supreme court has upheld the validity of the provision in the by-laws of the Grand Lodge of Ancient Order of United Workmen that in case of a presumption of death or unexplained absence of the member, there shall be deducted from his certificate an amount equal to the difference between the amount he has paid into the mortuary fund and the amount he would have paid into the fund if he had lived out his expectancy. The case was Dubler vs. Grand Lodge A. O. U. W. That disappearance clause, according to the court, does not strike down any rule of evidence and is not in itself unreasonable.

Langen Reelected Deputy

JEFFERSON CITY, MO.—T. A. Langen of St. Louis was reelected state deputy of the Missouri council of the Knights of Columbus for the 16th year at the state convention here. Other officers are: Secretary, A. W. Powers, St. Louis; treasurer, Al Schulte, Washington; advocate, R. W. Miller, Kansas City, and warden, William Brownsberger, Boonville.

Provision Is Unenforceable

The Security Benefit Association is not liable for endowment benefits issued in the old days by the Knights & Ladies of Security, the former title of Security

Another Link in Our Chain of Protection

MONTHLY INCOME DISABILITY CERTIFICATE

AN OLD AGE BENEFIT • AT AGE SIXTY-FIVE

A Certificate that Protects YOU
while you live and
YOUR DEPENDENTS when you die

A New Monthly Income Disability Certificate is now being issued by the Independent Order of Foresters, an organization that has made a feature and success of issuing certificates, with Disability Benefits, based on its experience of over half a century.

It is a modern plan for the business man, that fits well in this mechanized age when disability is more common.

AND NOW!

after nearly sixty years' experience in the successful issuing of Total and Permanent Disability Benefits, The Independent Order of Foresters issues this new, all-embracing protective certificate.

IT REACHES FAR

beyond the scope of ordinary insurance protection—it insures some income in the event of total and permanent disability.

IN THESE DAYS

of strenuous living, fast travel and automobile transportation, the disability hazard has become real to an extent never before experienced. The wise man will fortify himself against this risk; keeping in mind, that it will not always be the other fellow who gets hurt or incapacitated.

WRITE TODAY FOR FULL PARTICULARS
ON THIS
Modern Plan of Protection

THE INDEPENDENT ORDER OF FORESTERS

FRANK E. HAND,
Supreme Chief Ranger

Temple Building,
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 Associates
 Fred E. Swartz, C. P. A.
 E. P. Higgins
 THE BOURSE PHILADELPHIA

Benefit Association. This is the decision of the Missouri supreme court in Robertson vs. Security Benefit Association.

The certificate was issued Nov. 24, 1893, and provided old age benefits of \$512.50 when the assured reached the age of 62, whether disabled or not. The insured arrived at that age Nov. 24, 1934. Security Benefit Association admits that the certificate provided for the endowment but alleges that the provision was ultra vires and void.

The Missouri court held that it is bound by the decision of the supreme court of Kansas in Dey vs. Knights and Ladies of Security, 113 Kan. 86, 213 Pac. 1066. In that decision the Kansas supreme court held that the endowment provision is unenforceable.

New Fraternal Board Members

N. V. Watts of Oklahoma City, state manager of the Modern Woodmen, has been appointed a member of the Oklahoma Fraternal Insurance Board, replacing Mrs. Lizzie West of Chickasha, who recently resigned.

Robert L. Forgan, state manager Woodmen of the World, Omaha, also was appointed by Governor Marland on the board.

Iowa Groves' Convention

COUNCIL BLUFFS, IA.—Seventy-five delegates from Woodmen Circle groves throughout southwestern Iowa met here in annual convention. Speakers were Dr. S. W. McCall, Council Bluffs mayor, and Laura McCrea, district manager at Greenfield. New officers were elected, Mrs. Mae Shockley, Creston, being elected district president, and a banquet held. Nell Nicholson, state librarian, was toastmistress.

MANAGERS ASSOCIATION

Cashiers Metropolitan's Guests

The Life Agency Cashiers Association of San Francisco held its May meeting at the Pacific Coast head office of the Metropolitan Life. The members were the guests of the company at luncheon in its dining room and were escorted through the plant by O. M. Nicely, cashier, and Jonas Svendsen, underwriter, who explained and demonstrated the methods employed in handling the tremendous volume of detail and records.

Oklahoma City Club Elects

The Oklahoma City General Agents & Managers Club has elected L. C. Mersfelder, Kansas City Life, president; George Summy, Phoenix Mutual Life, vice-president, and Burdette Lane, Lincoln National Life, secretary-treasurer. Directors in addition to the officers are Bryan Bowers, Home Life, retiring president and E. C. Van Cleef, National Life of Vermont.

Hartford Supervisors' Officers

A. M. Scripture, New England Mutual, will be inducted as president of the Life Supervisors Association of Hartford. Norman Smyth, National Life of Vermont, is vice-president, Clare B. Scott, Aetna Life, treasurer, and K. R. Bailey, Connecticut General, secretary. The executive committee is composed of L. C. Backer, Aetna Life; J. I. Gallagher, Metropolitan Life; F. B. Alberts, Connecticut General; and F. F. Pierce, Connecticut Mutual.

Hold Rally at Youngstown

Ivan F. Keefer, Youngstown, O., general agent Indianapolis Life, presided at a meeting of 50 company representatives from northeastern Ohio. Home office officials who spoke were: E. B. Raub, president; A. L. Portteus, vice-president; A. H. Kahler, superintendent of agents, and Irving Palmer, assistant agency manager.

MANAGEMENT IN RE: SPEAKING

By A. R. JAQUA
 Associate Editor "Diamond Life Bulletins"

When it is considered that speech, spoken and written, is the medium by which men convey their ideas; that it is the vehicle used by the teacher to impart knowledge, by the preacher to influence his congregation, by the lawyer to win his jury, by the salesman to persuade his prospect, by the politician to win election, its importance is seen to be of some moment.

Plato defined public speaking as the art of persuading men. When a salesman talks to one prospect or a group of prospects, his objective is simple. It is "How can I get my listener to see my thought as clearly as I see it, feel it as vividly as I feel it, believe it as deeply as I believe it, act upon it as sincerely as I act upon it?"

And yet notwithstanding the importance of correctly using the English language, it is astonishing to witness the limited vocabularies, the rasping voices, the misspelled words, the halting delivery of men and women even in high executive positions.

Speaking a Vocational Skill

One of the reasons is that few people realize that persuasive speaking is a vocational skill, that skill can be acquired, as skill in playing the piano or painting a picture. One must learn the principles and then practice the methods.

One way to do this is to join a public speaking class. Dale Carnegie has for many years held public speaking classes; John P. Ryan of Grinnell College has for many years had a business men's class in Des Moines; there is such a class in Chicago, and doubtless many other cities.

Another method is to dictate your sales talk to a dictaphone or an ediphone and then listen to it. That method is calculated to make any man wonder why anyone would be persuaded or convinced by such a speaker.

Ought to be Primary

Hollywood has dozens of voice studios. It is said that Robert Taylor—pardon me, Bob Taylor—spent three years riding himself of a Nebraska twang. It seems a pity that the very fine training in voice and bodily expressiveness which is given to most actors is not accessible to all. It ought to be a primary part of education.

How valuable to the salesman in interviewing the individual prospect if his voice is clear, modulated, his vocabulary rich, his enunciation distinct, his poise and manner gracious. How valuable in widening his contacts if he can speak thoughtfully and persuasively for groups? How much more valuable to a company is the medical director or actuary who can "sell" his department to the agency force and to the board of directors or who can build good will for his company by outside addresses.

The old-time ornate exhibitionist orator is pretty well gone; in his place has come the politician (Franklin D. Roosevelt); salesman (Louis Behr or Vivian Anderson or Grant Taggart); executive (Gerard Nollen); or minister (Harry Emerson Fosdick) who can get away from his mark in a hurry, speak forcefully, thoughtfully, interestingly, and stop when he gets to the tape.

Perhaps it would not be amiss to have as a requirement for the C. L. U. designation the delivery of an acceptable five, ten, twenty and forty-five speech before an agency or convention group. It is important to be a good listener—it is also important to be a good speaker.

Hold Conference in Toledo

The National Life & Accident held a two-day conference in Toledo, O., with 30 branch managers attending. Four vice-presidents of the company were speakers.

RECORDS

Minnesota Mutual Life—April was the best month in both examined or paid for business since December, 1935. The sales organization honored President T. A. Phillips. Much of the April business came from existing policyholders.

Philadelphia Life—Paid-for business in April was 25% ahead of April, 1937. Total paid-for business for first four months is 40% ahead of same period in 1937. Terminations and cancellations continue to show a decrease over 1937, and with increased volume of business exposed, total cancellations for first four months are 10% less than the same period of 1937.

Deal With Receiver Stands

The Kansas supreme court in State ex. rel., vs. Bank Savings Life, holds that an assured, who had made a written contract with the receiver of Bank Savings Life is entitled to performance of that contract and his rights are not modified by the terms of the reinsurance agreement whereunder Bank Savings Life went to the Victory Life of Topeka.

The provisions of the contract between the receiver and the assured are plain and unambiguous, according to the court. The receiver entered into a contract to pay disability benefits according to the terms of the policy in return for the performance of certain things by the policyholder. That contract was approved by the trial court. The assured is not obliged to notify the receiver that he dissented from the insurance contract.

Court Overrules N. J. Department

The New Jersey supreme court has set aside the action of former Commissioner Withers who disapproved the provision of the Columbian National Life for the taking in advance by the company of interest upon a policy at the rate of 6 percent. Mr. Withers held that this violated the usury laws of New Jersey.

The court observed that Columbian National has been operating in New Jersey more than 35 years and that its policy form has been approved in New Jersey and many other states. Many insurers do deduct interest in advance, the court said. Such action does not offend the usury laws of Massachusetts, which is the domicile of Columbian National. It is very doubtful, according to the court, whether it offends the laws of New Jersey. But it is not necessary to consider that question because when the assured makes an application to an insurer of another state for a loan, the application is either accepted or rejected at the domicile of the corporation and the loan is, therefore, governed by the laws of that state.

Suicide Voids Policies, House of Lords Holds

Holding that suicide is a crime and that it is against public policy that any person should benefit from the commission of a crime, the English House of Lords dismissed the appeal of Mrs. Agnes de la Poer Beresford, niece and administratrix of Maj. C. W. St. John Rowlandson, who shot himself shortly before five insurance policies totaling 50,000 pounds would have lapsed. The company was the Royal.

The policies provided that if the insured died by suicide, whether sane or insane, within one year from issuance, the policies would be void. However, they had been in force for about 10 years when Major Rowlandson committed suicide. The House of Lords reversed a judgment of the court of appeal in ruling against Mrs. Beresford.

Sales Ideas and Suggestions

Increased Effort Will Get Results At Present Time

DETROIT—Four hundred life underwriters and large policyholders gathered in Detroit to hear O. Sam Cummings, president of the National Association of Life Underwriters, and a group of outstanding speakers.

"I am told that the road is getting rougher for you men in the field," said H. G. Kenagy, superintendent of agencies of the Mutual Benefit, talking on "Present Trends in the Life Insurance Field."

"Taxes are high and are going to be still higher. The government will take a larger proportion of our incomes over what we need for actual living expenses. We note that our real competitors—other lines of business—are becoming more and more seductive in securing a share of the public dollar. Savings bank insurance is stepping forward into the limelight. All of these things give us cause for reflection."

Greater Appreciation

"Now let us look at the other side of the picture. There is undoubtedly a greater appreciation of the value of insurance today than ever before in history. Statistics show that there is much money resting in our savings banks. Many people who can well afford to buy insurance have not a sufficient amount of it today. One needs only to look at the amazing record of the sale of baby bonds to realize that there is plenty of money available which can be turned into the insurance channel by the right kind of salesmanship. We see all about us agents who have continued to do an excellent job during recent months."

"It seems to me that the answer to all of these trends simmers down to this: an increased amount of sales effort by each individual in the field. If every agent would increase his sales effort just 25 percent there would be no difficulty about production. There has been some criticism lately of life insurance and of those who sell it. If we are to stop this criticism it is up to us to do a more adequate job."

Not Listening to Sobbers

"Today the men in our business who are doing a really fine job of selling are those who will not listen to the chronic sobbers," said Harry T. Wright, million-dollar producer of the Equitable Society in Chicago and former chairman of the Million Dollar Round Table. Mr. Wright spoke on "Counteracting Current Sales Resistance." "Plenty of people have the money to buy. Many of them can be sold today who could not be sold a few years ago when their investments were in better shape."

"If a man who has been earning \$600 a week finds his income reduced to \$400, it gives him a faint picture of what his wife would be up against in trying to carry on with the family in case of his death. See that he gets that slant on it. The more simple and clear we make our sales presentation, the better it will go over and the more sales we will make."

See Large Earners

"If a man sells from 80 to 100 cases a year he is well organized and his problem is that of selling larger rather than more cases. He should see men with larger incomes. The names of such persons are easily obtained. Today we should talk in terms of income rather than face amount. And don't forget that many men who were hard boiled a few years ago are mellowed today."

"The chief difference between a large

producer and a mediocre producer is solely in the mental attitude. We should all refresh our memories on the benefits that our policyholders and their families have received from our service. I keep a notebook in my pocket at all times in which I have a record of my policyholders who have died or have been disabled, together with a brief note on what difference the insurance has made to them or to their families. I look it over frequently and obtain from it excellent sales material for use with prospects."

Sell Self on Insurance

"Be sure to sell yourself on the merits of a policy before you attempt to sell a prospect on it. Be sincere in your appreciation of the value of life insurance. Twenty-five percent of my own income goes right back into insurance and I do not hesitate to use this as a sales argument, either. After all, what better argument could there be than the fact that you yourself are buying all the insurance you can pay for?"

H. T. Burnett, vice-president and agency director Reliance Life, spoke strongly in favor of associations. "My sales philosophy when I was in the field was this: I am going to do the best I can today regardless of business conditions and when night comes I am not going to worry about not having done better," he said.

Fred Zweifel, Toledo general agent for the Equitable of Iowa and president of the Ohio State association, stressed

the importance of legislative work as a most vital function of the association, pointing out the effectiveness of the Ohio organization in killing a number of bad measures in the 1936-37 legislature.

The day was polished off by a formal stag affair in the evening known as the First Annual Leading Producers Dinner, at which each general agent or manager brought with him his leading producer. The outstate managers and their producers were the guests of the Associated Life General Agents & Managers. Eighty attended, with President C. R. Eckert as toastmaster.

Post Mortem Examination for Use of Agents

1. Did I spend the first five minutes of the interview agreeing with him that business conditions are rotten?
2. Did I talk to him about his needs—or did I talk to him about my policies?
3. Did I tell him at least three human interest stories of my policyholders who have bought the "same kind of plan"?
4. Did I give him an opportunity to tell me about his plans for his children or did I monopolize the conversation?
5. Did I quote him the premium in terms of daily deposit or interest upon the face of the policy, or did I frighten him away by talking about \$487.92?
6. Did I give him any real reasons for buying now, besides the worn-out reason, "You ought to take it now."
7. Did I high-pressure him with real sales ideas, or try to wear down his resistance by a stubborn resistance to leaving?
8. Did I give him at least three opportunities to sign the application?—Excelsior Life.

Military Attack Is Suggested

HARTFORD.—Despite the present recession Americans are far better off than the people of almost any other country in the world, said Col. D. Gordon Hunter, vice-president Phoenix Mutual, at the Connecticut Sales Congress here. Agents were urged to follow the old army custom of making an estimate of the situation to determine best how to reach real success under today's conditions. This estimate must be an analysis which takes all factors into account, he said.

It is in five parts, and requires the recognition of (1) Mission or objective, (2) Enemies, (3) Reserves, (4) Plans, and (5) Decision.

Success Under Present Conditions

"Irrespective of the trend your job is first, last and always to be successful today, under today's conditions," he said. The production of an increasing quantity of quality business at the decreased cost is the mission or objective. As for the enemies to be taken into account, perhaps the most dangerous is a negative, pessimistic attitude. Also to be considered are muckraking insurance publications. Lack of knowledge and lack of courage are enemies which must be overcome, and Col. Hunter holds that "the best defense is a good offense."

Definitely to be numbered among an agent's reserves, continued Col. Hunter, are the facts that he is living in a country such as this, and that he is representing the institution of life insurance, "the finest investment trust in the world." He is selling the roof of protection, education, independence, the necessities of life, and a mother's time when it is most needed.

Col. Hunter suggested the formation of a three-part plan, which includes prospecting, the development of strong sell-

ing technique and a process of organization. "Prospecting," he said, "is the hub of the wheel around which you operate. It doesn't matter how great is your knowledge, it doesn't matter how great is your selling technique, if you do not take yourself to men who need what you have to sell, and can buy, you are just going through motions like a dog chasing its tail." He suggested that an agent spend the better part of Monday of each week simply preparing a full list of good prospects to interview the succeeding days.

Although he did not discuss selling technique in detail, Col. Hunter did emphasize the importance of hard work and self-discipline. In organizing his work the agent should begin his week at about eight o'clock Sunday evening, spending two hours outlining methods of approach and sales features to be stressed. "Go to the people who can buy and sell ideas to these people." There were 6.4 more interviews per sale in the first quarter of 1938 than in the corresponding period of 1937, he said. One extra call should be made each day to keep the actual sales record as high as last year.

The last, and most important part of the estimate, he said, is the decision. "Will you challenge yourself to new heights? Have you the courage, the tenacity, the backbone, the perseverance, have you got what it takes to see it through?"

A. H. Hiatt, Jr., agency superintendent, and E. H. Snow, assistant, of the Aetna Life, presented two sales talks, illustrating the wrong and the right way to go about a sale.

In the approach the agent must regard his prospect as an audience and himself as a popular lecturer, Mr. Hiatt declared.

Hard Work Gets Real Results

Hard work gets results even when the average production is below normal. In the "Par for Parkinson" campaign staged by the Equitable Society in April, Ben H. Katz of the Becker unit, Lustgarten agency in Chicago kept a detailed record of his work which netted him \$70,557 of business on 30 cases for the month. Mr. Katz spent 180 hours in action, made 225 calls, 140 on new prospects and 85 on old clients and prospects. In addition to selling 30 cases, he serviced 15 old clients. He started his work at 9 o'clock in the morning, returned to the office at noon, spent two hours for lunch and clerical work and was out making calls from 2 to 4:30 when he returned to the office for an hour, answering mail and calls and making preparation for his next day's work. In the evening he started out again at 7 o'clock to make calls.

In the drive Mr. Katz sold \$2,165 first year premiums, resulting in \$824 first year commissions, or an average of \$3.66 for every call he made. His average premium per \$1,000 was \$32.45 and the average case written was \$2,352, average age of the applicant 23 years. The younger men on whom Mr. Katz calls lean toward retirement income. He sold six retirement annuity cases and seven optional retirement at 65. There were three 20 pay life, two 30 pay life, two 10 year term and one ordinary life. One of the factors in Mr. Katz' success was that he made a large number of calls and sought to sell personal needs.

Technique in Selling Farmer Described by Carnahan

Selling life insurance to the modern farmer requires a technique all its own, in the opinion of Tom Carnahan, general agent at Des Moines for the Minnesota Mutual Life.

Approach the farmer through a proper introduction, said Mr. Carnahan. This may be by person or by letter; it may come from the town banker or the community physician but it must come from one whom the farmer knows and respects. Approach the farmer as you would any other business man; many of them are university graduates and they like to be treated in that light.

Have a proper place to talk. Mr. Carnahan has arranged a tiny office in the rear seat of his auto where the farmer may sit down comfortably to discuss business.

Talk insurance plans that appeal to the farmer from a personal point of view, such as retirement insurance at 65. Bring up the fact that life insurance served as an emergency fund for many a farmer during the depression and may be counted on to do it again.

Burial Associations Exempt

In an opinion requested by Commissioner J. G. Read of Oklahoma, the attorney general ruled that the state insurance board has no jurisdiction over burial associations. The Oklahoma supreme court recently upheld contentions of the Midwest Burial Association that such groups are exempt from the state insurance laws, providing the benefits written are \$100 or less. Mr. Read said it had come to his attention that many such associations were writing benefits in excess of \$100 and in other ways were engaging in the insurance business, but that these practices can not be regulated in view of the attorney general's opinion.

SAMFORD TO HEAD INDUSTRIAL INSURERS

(CONTINUED FROM PAGE 1)

holder and his family are the ultimate object in both branches; problems of management and underwriting are nearly identical and close cooperation between the two branches will be beneficial to all concerned.

Continuous Public Campaign

Colonel Robbins spoke for a thoroughly prepared continuous program of carrying the message of life insurance to the people; of presenting all the facts about the institution. He thought this would be the best defense against the attacks of mud-slingers. Life insurance men owe it to the policyholders to reassure them as to the safety of their protection and the funds they have invested. The public also should be informed about what the taxation of life insurance means to policyholders and their beneficiaries; that the protection costs them more in proportion to the taxes that the company must pay. The institution should not be speechless. It has been too modest in the past, Colonel Robbins said. However, the country need not fear so much the taxation, heavy as it is, but instead the "tremendous breaking down of the morale of the people through easy money doled out by the government." This method is directly opposed to the life insurance principles, which stand for saving and security. He urged that the reserve fund principle in the social security act be eliminated and the plan placed on a current cost basis.

Senator S. M. Loftin, Jacksonville, declared that crime costs the American people 12 to 15 billions annually. In the six major wars in which the United States participated 112,000 men were killed in action but 120,000 were murdered in the past 10 years.

P. M. Estes, general counsel Life & Casualty, discussed the desirability of securing recognition of industrial agents as independent contractors under the social security act. He also presided at a meeting of the legal section of the conference, at which questions of current interest were informally talked over.

Fuller Warren, Jacksonville attorney, was banquet speaker.

Reports on Progress

William Wallace, president Palmetto State Life and chairman statistical committee, reported for that committee. Industrial life premiums were \$55,023,196 in 1937 compared to \$48,309,295 in 1936 and claims were \$10,518,216 in 1937 compared to \$10,305,793 in 1936. The death claim ratio was 20.05 percent last year compared with 21.33 in 1936. Both accident and health claims and death claims were up last year from 1936, the premium income being \$22,226,172 in 1937 and \$21,581,165 in 1936. Health and accident claim ratio was 38.62 percent in 1937 and 36.85 in 1936. In 1937

the death claim ratio was 5.68 percent compared to 6.89 percent in 1936 on accident and health policies. The average increase per agent in 1937 was \$10.68 and times paid for increase 65.96. Administrative expense averaged 51.48 percent of total premium income in 1937 compared to 47.65 in 1936 and 52.94 in 1935. Payments to policyholders accounted for 30.47 percent of premium income in 1937, 32.45 percent in 1936, and 34.28 percent in 1935.

"Florida, the Land of Opportunity," was the topic on which W. J. Matherly, dean college of business administration, University of Florida, spoke.

A. L. Johnson, Sun Life of Canada, Jacksonville, president of the Florida Association of Life Underwriters, welcomed the delegates. He urged that industrial agents be encouraged to join their local life underwriters association. His association was preparing a special section of its annual sales congress for industrial agents. B. Werkenthin, American National, responded to the welcome for the conference.

Louis Phillips, "American Insurer," New Orleans, extended an invitation for a meeting next year in New Orleans. Mr. Phillips is regarded as the founder of the conference. The convention city next year will be selected by the executive committee.

CONVENTION COMMENT

B. L. Tatman, president Reliable Life, St. Louis, new vice-president of the conference, had some interesting stories about his four months' trip to Africa from which he had just returned. Mr. Tatman started at Capetown and traveled the entire length of the continent to Port Said.

F. M. Nettleship, secretary of agencies Equitable Life, D. C., chairman of the American Life Convention's Industrial Section, and T. J. Mohan, vice-president in charge of field, Eureka-Maryland Assurance Corporation, secretary Industrial Section, attended the meetings together. The Equitable Life joined the conference this year.

Sumter L. Lowry, Jr., chairman of board Gulf Life, was obliged to make all of his remarks in writing, being ordered by his doctors not to talk for two months because of a throat infection. Although he does not smoke, he keeps a pipe in his mouth much of the time so that he will remember not to talk.

P. W. Jones, Bankers Health & Life, was chairman of the nominating committee.

T. N. Kidd, manager ordinary department Home Beneficial, and E. G. Hobson, assistant superintendent of agencies, accompanied a large party which drove to

Saint Augustine to see the points of interest in the oldest city in the United States.

Joe D. Morse, president, and A. G. Palmie, manager industrial department Home State Life, drove to Ponte Vedra from Oklahoma City with Mrs. Morse and Mrs. Palmie, planning to spend some time in southern Florida before returning home.

A. J. McAndless, executive vice-president Lincoln National Life, and R. B. Sturtevant, vice-president Ohio National, represented those companies.

Entertainment and arrangements were capably handled by a committee headed by T. T. Phillips, president Gulf Life, chairman; White L. Moss, president, and J. R. Anthony, Jr., secretary Suwannee Life; J. H. Gooding, president, and C. G. Snead, secretary Independent Life & Accident; L. C. McCabe, president United Life; Laurence F. Lee, president Peninsular Life, and S. L. Lowry, chairman Gulf Life.

E. H. Speckman, president Kentucky Central Life & Accident, and Mrs. Speckman did some surf bathing with J. A. Walker, president Missouri Insurance Co.

George R. Kendall, president, and Curtis P. Kendall, vice-president, Washington National, received some good natured joshing about their reinsurance of the Hercules Life business. George R. Kendall said that Curtis would be in charge of the catalogue department. W. N. Culp, chairman Southern Life & Health, asked Curtis if the Washington National were going to sell bicycles.

W. B. Clement, assistant secretary Pilot Life, and Mrs. Clement drove to Savannah after the meeting adjourned.

P. M. Estes, general counsel, and W. V. Walker, vice-president Life & Casualty, were active in the legal section discussion. Mr. Estes presiding at the session by virtue of his office as chairman. Mr. Estes was also called upon to give a toast to the ladies at the banquet.

J. M. Drake, president Empire Life & Accident, and Mrs. Drake were present. Mr. Drake was optimistic about business and reported it coming along nicely despite adverse business conditions.

G. R. Kendall, Washington National, read a memorial resolution for T. O. West, late secretary-treasurer of the Kentucky Central Life & Accident. The report of W. B. Clement, secretary treasurer was prepared in printed form.

Golf prizes were awarded to P. W. Jones, Bankers Health & Life; P. L. Hay, Jr., Bankers Health & Life; A. J. McAndless, Lincoln National Life; T. T. Phillips, Gulf Life, and J. H. McCarty, Southern Life & Health.

Col. C. B. Robbins, manager and general counsel American Life Convention, flew from Chicago to address the conference. He remained over until the close of the meeting.

C. A. Craig chairman National Life & Accident, one of the most prominent members of the conference, could not attend because of illness.

Frank P. Samford, incoming president of the conference and president Liberty National Life, followed precedent in election of the chairman of the conference's executive committee to the presidency. Mr. Samford has been one of the most popular men in the conference. He is a graduate of Alabama Polytechnic Institute and started in the life insurance business with the Manhattan Life. He served as Alabama deputy insurance commissioner 1915-1919. In 1921 he was elected secretary-treasurer of the Liberty National, 1932 vice-president and treasurer, and 1934 president.

The Bankers Health & Life had its usual large representation with P. L. Hay, president; N. T. Weaver, P. L. Hay, Jr., and H. T. Anderson, vice-presidents, and P. W. Jones, secretary-treasurer, and their wives.

E. T. Burr, actuary and I. O. Brady, general counsel, represented the Durman Life. Mr. Burr is a past president of the conference.

Home Office Life Underwriters Meeting Held

(CONTINUED FROM PAGE 1)

as polo players, steeplechasers, expert skiers, or men who occasionally participate in big-game hunting or outboard motorboat racing?

3. Are companies insuring residents or temporary residents of Alaska at standard rates when they are otherwise first class?

Family Plans Considered

4. Is the issue of family income and family maintenance plans on the increase or decrease? Are the underwriting rules governing term insurance strictly applied to these plans? Do companies ask in their applications what amount of insurance is carried on these plans and what steps are taken to determine the actual amount at risk on these plans in other companies? In case of death during early years, is death loss reported for the full amount at risk or for the face amount? What has been the mortality experience on these plans? To what extent is the conversion privilege allowed on the family maintenance plan, and to what extent has conversion been exercised?

5. When an applicant admits having had a medical check-up or a periodical health examination, either at a clinic or by his own physician, even though the applicant states that there were no unfavorable findings, (a) Should the attending physician's statement be required in all cases, or (b) Only where insurance applied for exceeds a given sum, or (c) Only where the aggregate in force and pending exceeds a given sum? (d) To what extent do such statements reveal information of underwriting value? (e) To what extent do companies pay for such statements?

6. Is interest in the salary savings plan increasing or decreasing? Has this plan produced satisfactory results in general, i.e., class of business obtained, volume written, expense of handling, mortality experience, etc? How does the persistency of such business compare with regular business?

7. What is the present trend of mortality among army and navy officers? Are these risks substandard, standard, or super-select risks? Are they acceptable risks for waiver of premium disability and for double indemnity? What restriction is required on aviation?

8. Is a company justified in underwriting more liberally when replacing one of its own policies?

Life-Trust Council Elects

BOSTON—S. D. Weissmann, consultant on business and estate conservation, was elected president Boston Life Insurance & Trust Council at the annual meeting. W. R. Herlihy, Jr., State Street Trust Company, was elected vice-president; J. M. Hughes, secretary Boston Life Underwriters Association, secretary, and J. C. Donahue, Webster & Atlas Bank, treasurer. T. G. Brown, New England Trust Co., and A. W. Payne, New York Life, were elected members executive committee for three years. A clinic on estate-trust problems led by F. W. Ganse of the P. F. Clark agency John Hancock Mutual, was held in the evening.

Watch Alabama Appointment

Interest is being manifested in Alabama in regard to the selection for superintendent of insurance. Frank Dixon of Birmingham was named for governor in the recent primary defeating a field of four other candidates including R. J. Goode of Gastonburg, veteran insurance agent, who ran third. The appointment will be made by the new governor soon after he takes office Jan. 1. Frank N. Julian, incumbent, and C. C. Greer of Birmingham, former superintendent, both supporters of Dixon, will likely be among the applicants for the job.



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